DOCUMENT RESUME

ED 433 455 CE 079 140

AUTHOR	Bos, Johannes M.; Huston, Aletha C.; Granger, Robert C.; Duncan, Greg J.; Brock, Thomas W.; McLoyd, Vonnie C.; And Others
TITLE	New Hope for People with Low Incomes: Two-Year Results of a Program To Reduce Poverty and Reform Welfare.
INSTITUTION	Manpower Demonstration Research Corp., New York, NY.
SPONS AGENCY	John D. and Catherine T. MacArthur Foundation, Chicago, IL.; Helen Bader Foundation, Milwaukee, WI.; Ford Foundation, New York, NY.; Wisconsin State Dept. of Workforce Development, Madison.; Grant (W.T.) Foundation, New York, NY.; Annie E. Casey Foundation, Baltimore, MD.; Department of Health and Human Services, Washington, DC.; National Inst. of Child Health and Human Development (NIH), Bethesda, MD.
PUB DATE	1999-08-00
NOTE	488p.
AVAILABLE FROM	MDRC, 16 East 34 Street, New York, NY 10016. Tel: 212-5323-3200; Web site: <http://www.mdrc.org>.
PUB TYPE	Numerical/Quantitative Data (110) -- Reports - Research (143)
EDRS PRICE	MF02/PC20 Plus Postage.
DESCRIPTORS	Adult Education; Child Welfare; Cost Effectiveness; Day Care; *Demonstration Programs; Employment Patterns; Employment Programs; Family Life; Health Insurance; Influences; Low Income; Models; Participant Characteristics; *Poverty Programs; Program Costs; Program Effectiveness; Program Implementation; Public Policy; Public Service; Questionnaires; Salary Wage Differentials; *Supported Employment; Tables (Data); Teacher Attitudes; Time Management; *Welfare Recipients; Well Being
IDENTIFIERS	*Welfare Reform; Welfare to Work Programs; Wisconsin (Milwaukee)

ABSTRACT

This document details the 2-year results of the New Hope Project, which was conducted in Milwaukee, Wisconsin, to reduce poverty, reform welfare, and improve the overall well-being of poor people by providing a mix of incentives and services, including supplemental income, child care subsidies, guaranteed affordable health insurance, and wage-paying "community service jobs." Following a lengthy executive summary, the document details the following: New Hope's policy context, evaluation, program environment, and operations; conceptual model guiding the evaluation; sample characteristics and participants' use of benefits and services; New Hope's effects on work and income; effects on material and psychological well-being and time use; effects on family dynamics and child activities; effects on children; and program costs and benefits. Eighty-two tables/figures are included. Appended are the following: local, state, and national donors for the pilot and full programs; comparison of the New Hope Project and Wisconsin Works; data sources; procedures for the teacher survey; comparison of research groups; methodology of the 2-year survey; comparison of income data from different sources; method for estimating earned income credits; child and family study measures in the 2-year study; ethnographic vignettes; barrier indicator index; 35 auxiliary tables; overview of the last year of

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program implementation; and survey cover letter and questionnaires. The report contains 128 references. (MN)

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NEW HOPE FOR PEOPLE WITH LOW INCOMES

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Two-Year Results of a Program to Reduce Poverty and Reform Welfare

Johannes M. Bos
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August 1999

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August 1999

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MDRC is evaluating the New Hope program under a contract with the New Hope Project, Inc., supported by the John D. and Catherine T. MacArthur Foundation, the Helen Bader Foundation, the Ford Foundation, the State of Wisconsin Department of Workforce Development, the William T. Grant Foundation, the Annie E. Casey Foundation, the U.S. Department of Health and Human Services, and the National Institute of Child Health and Development.

Dissemination of MDRC's work is also supported by MDRC's Public Policy Outreach Funders: the Ford Foundation, the Ambrose Monell Foundation, the Alcoa Foundation, and the James Irvine Foundation.

The findings and conclusions presented in this report do not necessarily represent the official positions or policies of the funders of the New Hope Demonstration.

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Preface

The New Hope Demonstration provides a wealth of information on an issue high on the domestic policy agenda: how to improve the well-being of people who are poor. New Hope pursued a straightforward idea: People who work full time should not be living in poverty. Thus, the program supplemented earnings, subsidized child care (if needed), and guaranteed affordable health insurance. If participants could not find full-time regular employment, the program offered them access to wage-paying "community service jobs" — short-term subsidized jobs in nonprofit agencies, designed as stepping stones to regular employment. This mix of work-conditioned incentives and services marks New Hope as an unusually ambitious attempt to address the employment and poverty of low-income people.

A community-based organization, the New Hope Project, Inc., operated the New Hope program in two low-income areas in Milwaukee. Designed as a demonstration project, New Hope began operating in 1994, enrolling approximately 1,360 people in the New Hope evaluation through December 1995. Eligibility was based solely on income and a willingness to work full time, so the enrollees included a broad cross-section of the "working poor." These adults were assigned at random to one of two groups: the New Hope program group, who were eligible to receive New Hope benefits for three years, and the control group, who differed from the program group only in that they could not receive New Hope benefits. The New Hope evaluation team is assessing New Hope's effects by comparing the outcomes and experiences of these two groups over time.

From the outset, the New Hope Project's Board and staff committed themselves to a rigorous research agenda, believing that for their project to influence federal and state policies, it had to be studied seriously. After a competitive process, New Hope retained MDRC to conduct the evaluation. This volume is the second major report on the project, documenting New Hope's effects two years after participants enrolled. A five-year follow-up report will be ready in about three years.

The New Hope evaluation is as ambitious as the program, and it integrates diverse research methods and data in the team's effort to understand New Hope's effects. Notably, the evaluation goes beyond a study of New Hope's economic effects to examine how New Hope changed family functioning and the well-being of children. To address this broad learning agenda, the evaluation team represents a collaboration among MDRC staff, New Hope's Board and staff, and prominent university-based scholars who came together under the auspices of the MacArthur Foundation Network on Successful Pathways Through Middle Childhood.

The two-year economic story is best told by distinguishing between two groups that constituted the New Hope sample: the two-thirds who were not working full time when they enrolled and the one-third who were. The interim results show that New Hope increased employment, earnings, and income for the program group members who were not working full time at enrollment, compared with their control group counterparts. The wage-paying community service jobs were an important source of these effects. Those who were already working full time when they enrolled used the New Hope supports to spend less time working second jobs and overtime, actually reducing their income.

While New Hope's economic effects differed for the two groups, the program's positive effects on families and children cut across the whole sample. Perhaps because one group had more earnings and income while the other could cut back a little, New Hope participants across the program group reported less stress, fewer worries, and better parent-child relations than the control group. Further, teachers reported positive effects on the classroom behavior and school performance of boys (who had more room for improvement than girls). The boys in the program group families also showed higher educational and occupational expectations and less problem behavior than the boys in the control group families.

No single-site study is definitive. Because these results describe a program in Milwaukee during 1994-97, all members of the research sample benefited from a favorable labor market. Further, if they were eligible for public assistance, they faced increasingly assertive welfare policies that emphasized work. However, the fact that the program caused effects over and above the threshold created by these circumstances is encouraging and challenges policymakers and practitioners to test similar interventions in other locales.

Finally, as the Acknowledgments section of this report suggests, the study represents the committed efforts of many people and institutions. We are grateful to all our colleagues in this venture — the Board and staff of New Hope, the funders that have so generously supported the evaluation, state and local agencies, our fellow researchers, the advisors and reviewers, and the residents of Milwaukee who have participated in the program and the study.

Judith M. Gueron
President

Acknowledgments

This report combines the efforts of numerous individuals from many institutions and agencies around the United States. All their contributions are greatly appreciated.

The report benefited from an uncommon, engaged collaboration among program staff, the evaluation team, and various advisors. At the New Hope Project site in Milwaukee, Executive Director Julie Kerksick provided firsthand information on the project's history and goals, explained program procedures, pushed the evaluation team to clarify its work, and provided ongoing, thoughtful reviews of the report. Tom Back, Associate Director, initiated and maintained the financial supplement system, provided data for the report, offered valuable reviews, and answered innumerable questions throughout the process. Other staff at the New Hope Project supported this research by participating in interviews and focus groups and by facilitating the exchange of information between MDRC and the New Hope Project. In the early stages of the project, significant assistance was provided by Sharon F. Schulz, the former Executive Director, and Don Sykes, Executive Director during the project's pilot phase.

The evaluation's funders have provided indispensable support. They are acknowledged at the front of the report.

We are deeply grateful to the people in our study sample. Whether participating in the New Hope program or as members of the control group, these Milwaukee residents went through the random assignment process, granted us access to confidential information about themselves, and participated in surveys, focus groups, individual interviews, and ongoing ethnographic research. Without them, our research would not have been possible.

Next, we would like to acknowledge the members of New Hope's Board of Directors, particularly David Reimer, who shaped our understanding of New Hope's genesis and the project's economic and social context. New Hope's Evaluation Committee reviewed multiple drafts of the report. New Hope's National Advisory Board of researchers and policy analysts convened several times a year and provided valuable guidance for this evaluation and the report. The members are Gary Burtless, Tom Corbett, David Ellwood, Rob Hollister, Lawrence Mead, Demetra Nightingale, Deborah Weinstein, Michael Wiseman, Joan Moore, Walter Farrell, Roberto Fernandez, Jo Ann Gray-Murray, and Lois Quinn.

Four of the authors are members of the MacArthur Foundation Network on Successful Pathways Through Middle Childhood and met quarterly with other colleagues on the Network under the auspices of that group. While the New Hope Project always wanted to understand the program's effects on children and families, limited resources restricted the initial evaluation plan to a focus on economic outcomes for adults. None of the eventual focus on children and families would have been possible without the intellectual collaboration and funding of the MacArthur Network.

At MDRC, we are grateful to Gordon Berlin, Fred Doolittle, Charles Michalopoulos, Pamela Morris, and Howard Bloom for their advice on our analytical work and their reviews of the report. Our gratitude also goes to the professionals outside MDRC who reviewed the report including Carolyn Eldred, Lindsay Chase-Lansdale, Jacque Eccles, Mark Greenberg, Ron Haskins, Toby Herr, Cliff Johnson, Peter Rossi, Howard Rolston, and Martha Zaslow.

Quantitative data collection for this report was a complex process involving the cooperation and assistance of several people and agencies. Carolyn Eldred contributed significant leadership to the fielding of the New Hope Neighborhood Survey and to the conception, design, and fielding of the New Hope two-year survey. Swarnjit Arora, of the University of Wisconsin–Milwaukee, and his staff conducted the Neighborhood Survey in the two neighborhoods. Westat, under the direction of David Maklan and Alexa Fraser, conducted the two-year survey. The State of Wisconsin and the County of Milwaukee provided invaluable data for our research. We want to thank staff at the Wisconsin Department of Workforce Development, Wisconsin Department of Health and Family Services, Wisconsin Department of Revenue, and Milwaukee County Department of Human Services, as well as other state, county, and city agencies, all of which provided specific information on Wisconsin and Milwaukee public assistance programs and policies. We are especially indebted to individuals in these departments who provided technical information on administrative records, Earned Income Credit data, and Medicaid data.

Qualitative data from an ongoing ethnography is included in vignettes throughout the report. The ethnography uses a random sample of both New Hope and control families from the Child and Family Study Sample. The ethnography is led by Tom Weisner. Lucinda Bernheimer coordinated the ethnographic fieldwork, and Eli Lieber consulted on the fieldwork data analysis. Victor Espinosa, Christina Gibson, Eboni Howard, Katherine Magnuson, Jennifer Romich, and Devarati Syam conducted the fieldwork. They also worked with Tom Weisner and Lucinda Bernheimer to write the vignettes and the appendix on the ethnography.

At MDRC, Veronica Fellerath managed the quantitative data, and she and Ana Ventura were instrumental in doing the benefit-cost analysis and analyzing the Earned Income Credit data. Julian Brash and Ana Ventura were responsible for combining and processing data from numerous sources into data files for analysis and managing these files for the researchers. Lynn Miyazaki led the compilation and processing of various administrative records. Susan Poglinco conducted fieldwork focus groups and field interviews and wrote Appendix M, on the last year of program implementation. At Northwestern University, Katherine Magnuson developed the Barrier Indicator Index; she, Christina Gibson, and Jennifer Romich coauthored Chapter 6 with senior colleagues. Similarly, at the University of Texas–Austin, Rashmita Mistry and Danielle Crosby were among the coauthors of Chapter 7. Programming and research on specific topics was also done by Marika Ripke, David Casey, Nancy Jennings, Edna Henderson, and Deborah Linebarger at the University of Texas–Austin; Eboni Howard at Northwestern University; and Ana Ventura and Anne Sweeney at MDRC. Anne Sweeney also coordinated the production and fact-checking of the report. Sylvia Newman edited the report. Robert Weber proofread the document. Stephanie Cowell did the word processing.

The Authors

Executive Summary and Policy Implications

This is the second report from the evaluation of New Hope, an innovative project developed and operated in Milwaukee, Wisconsin, that has sought to improve the lives and reduce the poverty of low-income workers and their families. New Hope relied on several components and services to increase the income, financial security, and access to full-time employment of low-income workers in two areas of Milwaukee. In these target areas, all low-income workers (and those not employed, but willing to work full time) were eligible to receive New Hope benefits. New Hope began operating as a demonstration program in 1994, enrolling volunteers during an intake period that lasted through December 1995.

Reflecting its broad eligibility rules, New Hope served a diverse group of low-income people. For example, 37.5 percent were employed at enrollment, and 84.9 percent had been employed full time during their adult work life (with the average longest full-time job lasting about three years). While 59.8 percent were never married and 18.3 percent were separated, divorced, or widowed, 21.8 percent were married. Men made up 28.4 percent of the full sample, and 37.1 percent of the sample were not receiving AFDC, Food Stamps, General Assistance, or Medicaid at enrollment. Participants, on average, were 32 years old.

New Hope offered access to four distinct program components: an earnings supplement to raise participants' income to the poverty level for their household, affordable health insurance, child care subsidies, and a full-time job opportunity for those unable to find one. (Part-time jobs also were available for those who needed to supplement an existing part-time job.) In return, the program required its participants to work full time (at least 30 hours a week) and to document their work hours in order to qualify for program benefits. Program representatives ("project reps") would meet frequently with participants to collect their wage stubs, verify their full-time employment, and discuss any needs or concerns related to participants' employment. Thus, the project combined a requirement to work full time with the necessary supports and guarantees to enable its beneficiaries to meet this requirement.

New Hope operated outside the existing public assistance system, though it was designed to be replicable as government policy. It was funded by a consortium of local, state, and national organizations interested in work-based antipoverty policy, as well as by the State of Wisconsin and the federal government. It was designed and operated by a community-based nonprofit organization, the New Hope Project, and thus provides insights into the role nongovernmental agencies can play in income support.

One goal of the project was to provide credible information to policymakers on the implementation, effectiveness, and costs of the New Hope approach. To this end, New Hope contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct an independent evaluation, which began with the start of enrollment. In order to provide a reliable test of the difference the program made, 1,357 applicants were randomly assigned in a lottery-like process to either a program group (with access to New Hope services) or a control group (with no access to New Hope services, but able to seek other services). The difference in the two groups' outcomes over time (for example, their differences in employment rates or average earnings) are the observed effects or — in the language of evaluations — "impacts" of the program. The 678 participants (that is, the program group members) and their households were entitled to New

Hope's benefits and services for a period of three years, and the last enrolled participants ended their spell of New Hope eligibility in December 1998. To determine New Hope's effectiveness, this report compares the experiences of these participants during the first two years of their eligibility with the experiences of the 679-member control group.

The previous report presented findings on recruitment, program operations, participation patterns, and participant characteristics.[1] Shorter working papers were prepared to convey early impressions from focus groups with participants, to describe the neighborhood context of New Hope, and to report on the program's work opportunity component: community service jobs, or CSJs.[2] The present report is the first to show how the program changed the experiences and lives of New Hope participants during their first two years in it. A subsequent report will cover the last year of the program and two further years of follow-up.

This report addresses important policy questions pertaining to the lives of low-income workers and their families, the choices they make in the labor market, and the effects of financial and other supports on their material and overall well-being.

Following a brief summary of the report's key findings, the Executive Summary introduces the New Hope Project, its context, and key policy questions. It then presents the report's findings in detail and concludes with policy implications.

Findings in Brief

Overall, New Hope increased employment and earnings, leading in turn to increased income during the first year of follow-up and enabling more low-income workers to earn their way out of poverty. New Hope's effects on employment and income, coupled with its provision of health insurance and child care subsidies, set off a chain of beneficial effects for participants' families and their children. On average, New Hope participants were less stressed, had fewer worries, and experienced less material hardship (particularly that associated with lack of health insurance) than control group members. Participants' children had better educational outcomes, higher occupational and educational expectations, and more social competence; boys also showed fewer behavior problems in the classroom.

Analyses found that New Hope's effects varied with the employment status of its participants at random assignment. On the one hand, those working part time or not at all needed to either find a full-time job or increase their hours of work to qualify for earnings supplements, health insurance, and child care subsidies. New Hope project staff assisted them in this process, sometimes by offering CSJs when they were needed. On the other hand, those working full time (30 hours or more) could take advantage of program benefits immediately, without having to increase their work effort. Indeed, New Hope allowed these participants to make ends meet without excessive overtime or simultaneously holding multiple jobs.

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[1] Thomas Brock, Fred Doolittle, Veronica Fellerath, and Michael Wiseman, *Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare* (New York: MDRC, 1997).

[2] Dudley Benoit, *The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency* (1996); Michael Wiseman, *Who Got New Hope?* (1997); and Susan Poglinco, Julian Brash, and Robert Granger, *An Early Look at Community Service Jobs in the New Hope Demonstration* (1998). All were published by MDRC.

Among those not employed full time at random assignment (about two-thirds of the sample), New Hope increased[3] both work effort and earnings. Compared to the control group, New Hope reduced by half the number who were never employed during the two years of follow-up (from 13 percent for the control group to less than 6 percent for New Hope participants). Program group members who were not employed full time at random assignment worked in 5.5 out of 8 quarters (three-month periods covered by the earnings data for this report) compared with 4.8 quarters for control group members. The program increased average two-year earnings of the program group (including those who had no earnings) by $1,389, from $10,509 for the control group to $11,898 for the program group. This increase in earnings, boosted by New Hope's earnings supplement and the Earned Income Credits (EICs), resulted in a substantial income gain of $2,645 over the two-year follow-up period, which made it possible for many of these participants to work their way out of poverty.

CSJs were important in bringing about the employment effect for participants who were not employed full time at random assignment. However, it is unlikely that the entire employment effect was due to this program component. For that to be the case, one would have to assume that no CSJ user would have worked if there had been no CSJs. The data suggest the opposite, because most CSJ users transitioned into unsubsidized employment once their eligibility for CSJ employment ended, and many CSJ users had both CSJ earnings and earnings from unsubsidized employment in the same quarter.

For the remaining one-third of the sample (those employed full time at random assignment), there were modest reductions in hours worked and earnings. These participants were less likely to work more than 40 hours a week and did not experience net income gains, partly because New Hope reduced their receipt of AFDC and Food Stamps. In the second year of follow-up, New Hope's effect on income for this group was a reduction of $1,148, or 7.5 percent.

The evaluation includes a "Child and Family Study" (CFS) of family dynamics and outcomes for children. Focusing on sample members with children aged 3-12 at the two-year follow-up — 89.8 percent of whom were women, and 69.4 percent of whom were receiving AFDC at enrollment — this study found evidence that New Hope increased the use of center-based child care and other structured out-of-school activities. Among those employed full time at random assignment, New Hope increased the quality of parent-child interactions. This may reflect participants' greater ability to achieve a sustainable balance between work and parenting by cutting down on long work hours.

To capture possible effects on participants' children, the CFS obtained permission to survey teachers of these children. From the teacher reports, it appears that New Hope had substantial positive effects on the classroom behavior, school performance, and social competence of children in the sample. These effects occurred primarily for boys, who also showed less problem behavior and higher educational and occupational expectations than boys in the control group.

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[3] In discussions of impacts, "increases" and "decreases" refer to differences between the program and control groups, not to changes over time in outcomes for the program group.

This report has important implications for policymakers and program developers who are concerned with improving the lives of low-income working families. The analyses show that a package of earnings supplements, health and child care benefits, and full-time job opportunities can substantially increase the work effort, earnings, and income of those who are willing to work full time, but need assistance to do so. Such effects are not limited to nonworkers and welfare recipients, but extend to many different groups of low-income people.

On the other hand, the analyses show that earnings supplements may lead to modest reductions in work effort among those already working full time or more than full time. Interestingly, New Hope shows that such reductions can be kept to a minimum and can actually benefit the families involved to the extent that these reductions limit excessive overtime or multiple jobs.

Finally, the New Hope evaluation shows how modest changes in income, employment, and family resources can have significant effects on noneconomic outcomes, such as family well-being and child outcomes. A narrow focus on economic outcomes may understate the effects of interventions like New Hope, whose benefits extend beyond those outcomes.

The New Hope Project

New Hope offered low-income workers in two areas of Milwaukee an opportunity to use a comprehensive set of integrated program services, designed to address longstanding problems associated with the low-wage labor market and delivered in a small-scale, friendly, and respectful environment. The program had broad eligibility rules, applying to any adult in the target areas (two zip codes) whose income was below 150 percent of the federal poverty level and who was willing to work full time. It was not limited to welfare recipients or families with children. The program had four components, which could be used separately or in any combination suiting program participants. For persons who worked at least 30 hours a week, New Hope provided the following:

- **Earnings supplements,** which were designed to complement the state and federal Earned Income Credits (EICs) — refundable tax credits for low-income working families — in order to raise the income of full-time workers to the poverty level. In designing the structure of these supplements, program developers tried to make sure that additional work effort or higher wages would always increase participants' overall income. This was done by reducing the proportion of each additional dollar earned that is lost to taxes or reduced benefits. In other words, program participants were able to keep more of their earnings gains, giving them an incentive to increase their hours of work and look for better-paying jobs. At the same time, the supplements raised their income to the poverty level. On average, the 78.0 percent of program group members who received any earnings supplements received $1,165 over the two-year follow-up period. (The average for all participants was $911.)

- **Affordable health insurance**, which was available to any participant who did not already have access to such coverage through an employer or government-provided health plan. Lack of such insurance is a continuing source of concern for low-wage workers, one they often cite as an impediment to their trying to leave welfare for work. New Hope required a copayment, increasing with income. This service was used by 47.6 percent of participants. (New Hope spent an average of $1,464 per program group member over two years.)

- **Child care subsidies,** which were available to parents of children under age 13. The cost of child care is a major concern to low-income workers and their families. Although there are public child care subsidies for welfare recipients who go to work, the programs that provide these subsidies sometimes have long waiting lists. Low-income workers who have not recently received welfare have an even harder time accessing such subsidized child care. New Hope allowed participants to find their own licensed child care arrangements and then paid most of the expenses involved (the copay increased with a family's income). This service was used by 27.9 percent of New Hope participants (38.8 percent of program group members with children). (New Hope spent an average of $2,376 per participant over two years.)

For those willing to work 30 hours a week, but unable to find such full-time employment, New Hope provided:

- **Community service jobs (CSJs),** which were wage-paying positions with local nonprofit organizations, available to those who wanted to work full time, but could not find a full-time job on their own. CSJs were not automatic: Participants had to apply for them and could lose their CSJ if their attendance or performance on the job was poor. Each CSJ was limited to six months in duration, but participants could work in CSJs for a total of 12 months. CSJs were used by 32.0 percent of all participants. On average, participants who worked in a CSJ earned $3,000 during the two-year follow-up period. (The average for all participants was $945.)

Program Context

The New Hope evaluation unfolds in the context of rapidly changing labor markets and welfare environments, both in Milwaukee and across the United States. In many ways, the New Hope Project foreshadowed some of these changes, and in some instances it directly influenced state and local welfare policy. During the years covered by this evaluation, active social policy and a generally vibrant economy combined to make work easier to find and more rewarding for many low-income people in Wisconsin. Since New Hope was first conceived, unemployment in Milwaukee County has fallen from 6.5 percent to as low as 3.6 percent, the minimum wage has increased from $4.25 to $5.15, and the state and federal EIC programs have been expanded twice. Since the end of the two-year follow-up period covered in this report, state Medicaid programs are being expanded to include low-income working adults even if they do not receive public assistance.

At the same time, the state's welfare system has been dismantled, replaced with a work-based system of public assistance called Wisconsin Works (W-2). It began during the last four months of the period covered in this report. More relevant to the findings presented here was a program preceding W-2, entitled Pay for Performance, which required work and work-related activities of every welfare recipient in Wisconsin. All these changes in state welfare policy took place within the larger context of federal welfare reform. The landmark 1996 federal welfare law ended the 60-year-old Aid to Families with Dependent Children (AFDC) program and its entitlement to cash welfare assistance, placed a five-year limit on most families' receipt of federally funded cash welfare, and required states to place an increasing share of their caseload in work or work-related activities. States now have major responsibility for designing programs for the poor, and they receive block grants of federal Temporary Assistance for Needy Families (TANF) funds.

The Milwaukee economy, and the policy changes that affect the supports available to members of both the program and control groups, makes this a conservative test of New Hope. The changes have diminished the difference between what New Hope offers and what is available outside New Hope, making it more difficult for the project to create a net difference.

Policy Lessons: What Can We Learn from New Hope?

The New Hope Project offers an opportunity to learn about relevant and innovative approaches to the ongoing problems of low-income workers. Following are some of the questions that are particularly important in the current post-AFDC policy debate about helping families, supporting work, and increasing self-sufficiency:

- **With supports that make work pay, will low-income people work their way out of poverty?** How much will various incentives induce people to work? Is the problem that people need some support, or are they just unable or unwilling to work?
- **Can such supports foster full-time work?** Many low-income people work part time or intermittently. With better supports, will they work full time?
- **Is it possible to make work pay without reducing work effort?** The New Hope program supplemented the earnings of its participants, which in theory is a good way of providing financial support to low-income families because it rewards work instead of idleness. However, past research involving income subsidies for low-income workers (implemented without providing work incentives like those in New Hope) has left a legacy of discouraging findings, showing that such subsidies reduced work effort. Could New Hope do better?
- **Should interventions like New Hope be targeted at those not already working full time?** Inclusiveness was an important aspect of the New Hope program, seeking to serve not just welfare recipients or people with poor work histories. However, what is the price of inclusiveness? Does it dramatically increase program cost? Do those already employed benefit from the program? Does being inclusive have other benefits?
- **Does subsidized employment work?** New Hope provided CSJs to participants who could not find full-time work on their own. This is another prom-

ising approach to helping low-income workers who may have a hard time finding their way into the labor market. But does it work? Do these jobs increase employment or do they just offer an easy alternative for people who otherwise would have found a regular job on their own? Did they set up and maintain a pool of public service jobs that are more than "make work"?

- **How much do health insurance and child care subsidies matter?** New Hope offered health insurance and child care subsidies. The need for these services is widely documented and proclaimed. But would low-income workers use them? Would they appreciate these benefits as making a difference in their lives?

- **How important is the nature of staff-participant interactions?** New Hope operated on a small scale and was based in the target areas it served. Staff developed a more positive relationship with participants and interacted with them more frequently than is typical in welfare offices. Does such an approach affect the quality of program operations and the use of program services?

- **If more people work and their income increases, is their family life improved?** Poverty and low-wage work can be stressful for families. Is it possible to improve family life by supporting employment and increasing available income? Could increased employment have negative consequences for family well-being?

- **How do make-work-pay policies affect children?** The American public wants those parents who can work to do so. But the public remains concerned about the children in poor families. How might these children be affected by policies that support work?

Limitations of This Evaluation

In this demonstration, the New Hope offer was available to program participants alongside the existing welfare system. While New Hope designers thought of the program as an alternative to this system, many participants continued to use public assistance or Medicaid, either along with or instead of New Hope benefits. Therefore, the demonstration does not fully answer the question: What if we replaced the current welfare system with a work-based set of supports like those available in New Hope? Rather, it addresses the question: What if we added the supports available in New Hope on top of existing policies and programs? In addition, the demonstration provides a definitive answer to that question only for persons like the volunteers who enrolled in New Hope and who live in labor markets like Milwaukee.

Theory and Expectations

The design of the New Hope program was guided both by practical consideration of the challenges facing low-income workers and by theoretical expectations about how people respond to financial incentives. As mentioned above, New Hope was targeted primarily at specific problems inherent in the low-wage labor market, such as "poverty wages," lack of health care coverage, intermittent unemployment, and lack of good, affordable child care. However, as the program was being developed, the expected behavioral responses of those who would benefit from program services were very much part of the discussion. As noted above, prior evaluations of other interventions targeted at low-income workers had found that income subsidies could significantly reduce the work effort of some workers, even if the same programs enticed others to seek employment. This phenomenon, discussed more extensively in Chapter 4 of the report, is potentially costly to society and to participants. In the case of New Hope, these considerations led program designers to limit benefits to those working at least 30 hours a week. This ensured that any reductions in work effort would be small, and it also provided an added incentive to those not already working full time to make an effort to reach a higher level of employment.

The goals and expectations of program designers were not limited to participants' earnings and income. In addition to those "economic" outcomes, they targeted other aspects of participants' lives, including their access to health insurance and affordable child care and their overall financial situation. By guaranteeing a full-time job and by supplementing participants' earnings, New Hope was expected to reduce the stress and financial worries that are common among low-income workers. By allowing some workers to reduce overtime and drop second jobs, the program might free up more of their time for personal development and family time. And by exposing sample members' children to subsidized, good-quality child care and after-school care, the program might improve their well-being and school readiness, just as the expected increase in family income and greater financial stability might benefit these children.

Data, Samples, and Research Methods

This report relies on a number of data sources for its estimates of New Hope's effects. All in all, 1,357 applicants to the program were included in the study and randomly assigned to program or control group status: 678 to the program group and 679 to the control group. For each of these sample members, the researchers collected two years of earnings data from unemployment insurance (UI) records and AFDC, Food Stamp, and Medicaid data from other state databases.[4] These administrative data were augmented with information collected from a two-year follow-up survey. This survey covered details on employment histories, job characteristics, and additional income sources. It also measured material hardship, access to health care, and sample members' feelings about their financial situations, job security, and, in the case of program group members, their experiences with the New Hope program.

Although all program and control group members were approached for this survey, some could not be found and others refused to participate, leaving a sample of 1,086 for analyses involving survey questions.

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[4] The researchers supplemented the administrative data on earnings, welfare receipt, and program participation with data from the State of Wisconsin on use of the state and federal EIC. Aggregate EIC data (provided in groups of 15 to protect individual confidentiality) were used to approximate individual EIC benefits, which constitute an increasingly important source of work-related income for low-wage workers.

For the 678 program group members, data from the New Hope management information system (MIS) were added to the administrative and survey data. These MIS data cover participation in the program, use of program benefits, and earnings from CSJs. Administrative data from New Hope were also used to estimate program costs.

The analyses of child and family outcomes rely mostly on an expanded version of the two-year survey, conducted in respondents' homes. Special age-appropriate modules were added to the survey to be administered to respondents' children. The Child and Family Study (CFS) survey was targeted at 745 adult sample members and completed by 591. In many cases, more than one child per family was included in the study, resulting in a sample of 927 children for most analyses.

Finally, if children were in school, their teachers were sent a questionnaire (with permission and assistance from the children's parents) which contained a number of scales measuring behavior and performance in school. These assessments are a primary source of data on relevant child outcomes; they are available for 420 children in the study.

Most analyses presented in this report identify program effects using straightforward comparisons of outcomes for program and control group members. Because sample members were *randomly* assigned to either the program group (and thus eligible to participate in New Hope) or the control group (not eligible), the only systematic difference between the two groups is the assignment of program group members to New Hope. This means that any differences in outcomes measured at follow-up are attributable to the New Hope program; as noted earlier, such differences are called the program's "impacts."

Program Implementation and Context

- **New Hope was implemented successfully and delivered benefits and services to those who qualified. Some participants did not access benefits as often as they could have, either because they did not fully understand the program procedures or chose not to report their earnings each month as required.**

Implementing a program like New Hope poses important challenges to program developers, managers, and staff. The New Hope program was designed around a set of complex rules centered on the requirement that participants work 30 hours a week on average to qualify for program benefits; they were required to submit wage stubs monthly, which then were incorporated into a management information system for calculation and distribution of benefits. New Hope program staff were successful in developing such a system and implementing it in a real-world setting. Participants were paid their benefits on time. In interviews, participants expressed their satisfaction with New Hope, comparing the program favorably with other employment and welfare programs they had experienced. They consistently rated the support received from project reps as "what they liked best" about New Hope.

However, New Hope staff and management did experience some difficulty in getting participants to understand and follow program rules. Many participants did not maximize their use of program benefits because they failed to comply with these rules, falling short of the required work hours or neglecting to submit required documentation. Participants also occasionally expressed dismay at the month-to-month variation in benefit levels, which was a function of sometimes small month-to-month changes in earnings or in the number of pay periods in a month. The fact that participants had to "renew" their commitment to the program monthly (because they were required to hand in their pay stubs) may have led some to leave New Hope even when they were still eligible for benefits. Staff also had difficulty getting participants to make full use of the EIC, which is an integral part of the New Hope benefit calculations. It is likely that some of this confusion would not occur if New Hope was an ongoing, widely available program.

- **People's initial experience with New Hope differed depending on their employment status at the time they enrolled. Those employed full time could receive benefits immediately, but those not employed full time were more focused on finding a job or increasing their hours.**

New Hope's requirement that participants work 30 hours a week made their initial program experience dependent on their employment status. About one-third of program participants entered the study working full time, attracted by the financial benefits and help with health and child care. Program staff would explain the program rules to participants and help them access health insurance and child care benefits. The remaining two-thirds of participants experienced a different initial contact, which was focused on their need to find a full-time job. After a job search of eight weeks, these participants would have access to the program's CSJ component. In the meantime, project reps would give them job leads and advice on how to get a job. Thus, these participants would be more likely to actually experience a change in their initial employment status, either finding a job if they were not working or finding a full-time job if they were working part time.

- **The New Hope program operated in two inner-city target areas with high rates of poverty and limited economic opportunities. However, the regional economy was healthy and other changes in the environment also promoted work among low-income residents of Milwaukee.**

A neighborhood survey conducted in New Hope's target areas before the program began found high rates of poverty and a large contingent of low-income workers who could have been eligible for New Hope if it had operated on a larger scale. Analyses of job opportunities found most openings to be dispersed in the suburbs surrounding Milwaukee, either difficult or impossible to access without a car. Many positions also required post-secondary educational credentials, which few low-income residents in New Hope's target areas had. Nevertheless, the Milwaukee economy was generally very good during New Hope's implementation, making it relatively easy for many participants to find and maintain full-time employment.

As discussed earlier, the welfare environment was changing rapidly during the time of this study. General Assistance (cash welfare for low-income adults who do not have dependent children) was eliminated and welfare rolls were reduced through new welfare-to-work programs like Pay for Performance. New federal legislation eliminated the AFDC program, replacing it with TANF, whose incarnation in Wisconsin (labeled Wisconsin Works, or W-2) took effect, however, near the end of the two-year follow-up period covered in this report. Changing welfare rules and attitudes together with an improving economy caused increasing numbers of welfare recipients to leave the rolls and enter employment, offering both New Hope participants and control group members a substantial incentive to work.

Use of Program Services

- **A large majority of those assigned to New Hope (79.2 percent) received program benefits, but few received such benefits every month and for many participants program benefits were limited in scope and duration.**

The design of the New Hope offer directly influenced, and often limited, the use of program benefits. First, the offer was extended only to those willing and able to work at least 30 hours a week. If, for any reason, a participant could or did not want to comply with this requirement, his or her eligibility for program benefits may have been interrupted (project reps did continue to extend help and support).[5] Second, the value of benefits was linked to participants' income and decreased substantially as their income approached 200 percent of the poverty level for their family, or $30,000 a year, whichever was higher. At that point, earnings supplements were quite small, and copayments for health care and child care were larger. Third, three of the four primary benefits (health insurance, child care, and CSJs) were useful only to a subset of participants. For example, participants with Medicaid or free employer-provided health insurance did not need New Hope's health coverage or its contribution to employee copayments; those with steady employment (or good job-seeking skills) did not need CSJs; and those without children had no use for New Hope's child care subsidy. Consequently, the program allowed participants to use the components they needed when they were ready to use them.

The consequences of this approach for participation patterns are presented in Table 1, which shows that 79.2 percent of program group members used any financial program benefit, with almost all of them (78.0 percent of program group members) receiving at least one earnings supplement.[6] In contrast, only 47.6 percent used New Hope's health plan (or received help in paying an employee copay), and only 27.9 percent used child care assistance. About a third of all program group members (32.0 percent) worked in a CSJ. Program rules and variation in participant needs affected not only overall benefit use rates, but also the length of time that participants used New Hope's services. The table shows that those who received any financial benefit did so for an average of only 10.8 of the 24 months of follow-up.

Comparing program benefits across the two employment subgroups defined above shows that those employed full time at random assignment received more benefits than those not so employed, reflecting the fact that the former group could begin receiving benefits immediately, while the latter group had to secure a 30-hour-a-week job first. Also, more participants among those not employed full time at random assignment experienced significant obstacles to employment, preventing them from ever meeting the 30-hour requirement (or working in a CSJ).

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[5] Also, health insurance could be extended for a month if participants lost their job and were actively looking for a new one. Similarly, participants who lost a job would be provided with three hours of child care per day for up to three weeks, as long as they were actively looking for work. After three weeks, they were eligible for a CSJ.

[6] All the tables in this Executive Summary summarize more detailed information given in the main body of the report. For additional measures and analytical details, see the tables in the full report.

Table 1

The New Hope Project

Financial Benefit Use Within 24 Months After Random Assignment

New Hope Benefit	Ever Received New Hope Benefit (%)	Average Number of Months That Users of a Benefit Received That Benefit
Earnings supplement	78.0	9.0
Health insurance	47.6	8.7
Child care	27.9	11.5
Any of the above	79.2	10.8
Worked in CSJs	32.0	6.1
Sample size	*678*	

In analyzing these figures, it may appear that New Hope's effect on participants' lives was less profound than it could have been. However, that is not necessarily the case. First, it is important to consider the program's effects on participants' behavior even if they did not receive an earnings supplement or child care assistance in a particular month. If, for some reason, participants failed to work 30 hours a week or were not "ready" for full-time work, New Hope still offered them an incentive to continue pursuing full-time employment, an incentive that was backed up by a CSJ when they needed it. If participants already had health insurance or child care arrangements, the availability of a reliable backup might offer some peace of mind. Second, New Hope's project reps met with most participants on a regular basis. These meetings, and what they accomplished, are not reflected in the figures in Table 1, but the findings on social support shown in Table 7 suggest that the one-on-one support from project reps meant a great deal to participants. In fact, it may have been a key program component, setting New Hope apart from other programs and benefits available to low-income workers.

Employment and Earnings

- **New Hope increased the work effort and earnings of those not already working full time.**

For the two-thirds of the sample not employed full time at random assignment, New Hope provided a clear positive incentive to work and to work longer hours. The lower panel of Table 2 shows that such an incentive can increase employment, especially when backed up with CSJs for those who need them. In the two years of follow-up, New Hope reduced by half the number of sample members who were never employed (from 13 percent for the control group to less than 6 percent for program group members), and it increased the number of quarters that these sample members were employed by 0.7 of a quarter and increased earnings by 13.2 percent ($1,389). Both of these effects are substantial, especially given the high level of work effort among control group members. (Again, these data are for *all* sample members, including those with no employment or earnings.)

Not shown in the table is the extent to which CSJs contributed to these program effects. Although it is not possible to know how program group members would have responded to New Hope in the absence of CSJs, we do know that 32 percent worked in one and that CSJs contributed $945 to participants' average two-year earnings. This suggests that CSJs played an important role in bringing about New Hope's impacts on employment and earnings.

- **New Hope did not change the rate of employment of those employed full time at random assignment, and while it does appear to have reduced earnings somewhat, this effect was not statistically significant.**

As pointed out above, New Hope offered different incentives to those who were employed full time at random assignment and those who were not. One might expect those employed full time to reduce their work effort in response to the increase in disposable income experienced while in New Hope. On the other hand, imposing a 30-hour-a-week minimum on hours worked would limit any such reductions, and other New Hope services and guarantees might help these participants to stay employed full time throughout the follow-up period.

The upper panel of Table 2, showing impacts on employment and earnings for this group, indicates that New Hope was moderately successful in preventing reductions in work effort among those employed full time at random assignment. The very high levels of employment in the control group make program-induced increases in employment very difficult to achieve. The estimated impacts on two-year earnings are negative for this group, but this reduction is not statistically significant.[7] It appears that New Hope's supports may have slowed the growth in earnings of participants who were employed full time when they entered the program.

- **New Hope somewhat reduced hours worked by those employed full time at random assignment. It did so primarily by reducing the number of weeks in which these participants worked more than 40 hours. There were no statistically significant reductions in full-time work.**

The upper panel of Table 3 shows impacts on hours worked and on other job characteristics for those employed full time at random assignment. Aside from the program effects, it is noteworthy how high the average levels of work effort were in this subgroup. Members of the control group worked an average of almost 3,600 hours in the two years of follow-up, which translates into a weekly average of 34.6 and includes any periods of unemployment or part-time work. Thus, many control group members (and program group members) must have worked substantially more than 35 hours a week when they worked.

New Hope reduced hours worked by those employed full time at random assignment, mostly in the first year of follow-up and mostly by limiting overtime (and second jobs). In the first year of follow-up, program group members in this group worked 150 fewer hours than their counterparts in the control group, a reduction of 8.1 percent.

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[7] A "statistically significant" result is one that has less than a 10 percent probability of having occurred simply by chance and not as a result of the program.

Table 2

The New Hope Project

Two-Year Impacts on Employment and Earnings

Outcome	Program Group	Control Group	Difference (Impact)
Employed Full Time at Random Assignment			
Ever employed (%)			
Year 1	97.2	94.7	2.5
Year 2	94.4	91.8	2.6
Both years	98.4	97.3	1.1
Never employed (%)	1.6	2.7	-1.1
Number of quarters employed			
Year 1	3.5	3.4	0.1
Year 2	3.3	3.3	0.0
Both years	6.9	6.7	0.2
Earnings ($)			
Year 1	10,227	10,480	-253
Year 2	10,662	11,550	-889
Both years	20,889	22,030	-1,142
Sample size	*218*	*200*	
Not Employed Full Time at Random Assignment			
Ever employed (%)			
Year 1	87.8	77.9	9.9 ***
Year 2	83.3	76.7	6.6 ***
Both years	94.1	86.9	7.2 ***
Never employed (%)	5.9	13.1	-7.2 ***
Number of quarters employed			
Year 1	2.8	2.3	0.5 ***
Year 2	2.7	2.5	0.2 **
Both years	5.5	4.8	0.7 ***
Earnings ($)			
Year 1	5,295	4,380	916 ***
Year 2	6,602	6,129	473
Both years	11,898	10,509	1,389 **
Sample size	*459*	*476*	

NOTE: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

As expected, given New Hope's program rules, there was no reduction in the number of people who worked at least 30 hours a week. There were also no statistically significant reductions in the number of people working at least 40 hours a week. However, program participants were less likely to work more than 40 hours in an average week.

If one looks at job characteristics, it appears that the jobs held at follow-up by program group members employed full time at random assignment might not have been as good as those held by control group members. The average hourly wage at follow-up was 46¢ lower for program group members than for control group members, an effect that may be related to the reduction in overtime, but may also reflect program group members working in CSJs (which pay only minimum wage). In addition, control group members had more fringe benefits than program group members, possibly a result of the fact that New Hope provided health insurance, reducing participants' incentive to find a job that provided it.[8]

- **New Hope increased hours worked by those not employed full time at random assignment. This effect is a combination of nonworkers becoming employed and others increasing their hours to meet the 30-hour minimum to receive benefits.**

Program effects on hours worked among those not employed full time at random assignment were substantial in both years of follow-up. Overall, hours of work were increased by 285, or 12.1 percent (lower panel of Table 3). This was achieved by reducing the number of months with no work from 9.2 to 7.9 and reducing the number of months with some, but fewer than 30, weekly hours worked from 3.4 to 2.4. These effects represent a shift in the work patterns of these sample members, brought on to some extent by participation in CSJs.

There were no statistically significant program effects on characteristics of the jobs held by those not employed full time at random assignment.

- **Among those not employed full time at random assignment, the strongest earnings effects were found for participants with only one of a number of potential barriers to employment.**

A further breakdown of the group that was not employed full time at random assignment revealed a pattern of program impacts that depended on the number of potential employment barriers that participants had, such as having limited work experience, having very young children, or lacking an educational credential. New Hope program participants best able to translate program benefits into sustained earnings increases came into the program with one potential barrier to employment. The program made less of a difference for those with none of the potential barriers or those who had two or more. This pattern of findings (not shown in tables) suggests limits to the New Hope model, which may be less necessary for some participants and not strong enough for others.

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[8] It is possible that New Hope participants did not always fully understand the survey question asking them about the availability of employer-provided health benefits. These participants may have had access to employer-provided benefits, but may have chosen to use New Hope-provided health insurance instead. In that case, they may have incorrectly indicated in the survey that they did not have employer-provided health benefits. This, in turn, would have caused the reduction in employer-provided health insurance to appear larger than it was.

Table 3

The New Hope Project

Two-Year Impacts on Other Employment Outcomes

Outcome	Program Group	Control Group	Difference (Impact)
Employed Full Time at Random Assignment			
Total hours worked			
Year 1	1,712	1,862	-150 **
Year 2	1,706	1,744	-38
Both years	3,411	3,598	-187
Number of months with weekly hours worked:			
Below 30	5.7	5.4	0.4
Above 40	2.7	4.3	-1.6 **
Above 50	0.9	2.0	-1.0 **
Hourly wage of last job ($)	7.28	7.74	-0.46 **
Job benefits (%)			
Paid sick days	43.9	42.8	1.1
Paid vacation	55.1	63.9	-8.8 *
Health plan/insurance	37.4	53.5	-16.1 ***
Pension	32.3	35.2	-2.9
Sample size	*186*	*162*	
Not Employed Full Time at Random Assignment			
Total hours worked			
Year 1	1,221	1,069	152 **
Year 2	1,414	1,288	126 **
Both years	2,640	2,355	285 ***
Number of months with weekly hours worked:			
Below 30	10.3	12.6	-2.3 ***
Above 40	2.6	2.6	0.0
Above 50	1.1	1.0	0.1
Hourly wage of last job ($)	6.99	7.08	-0.09
Job benefits (%)			
Paid sick days	29.3	24.9	4.4
Paid vacation	39.1	33.9	5.2
Health plan/insurance	32.4	27.3	5.1
Pension	20.2	17.3	2.9
Sample size	*365*	*366*	

NOTE: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

- **New Hope's effects on employment and earnings showed similar patterns across a wide range of subgroups and did not vary between the two target areas served by the program.**

In addition to the subgroups defined by employment status at random assignment, program effects were examined for people varying in family status, gender, ethnicity, welfare receipt at random assignment, and target area. None of these analyses showed significant variation in impacts. This implies that New Hope's effects were widespread and not limited to a single group or target area. (These analyses are not shown in tables.)

Welfare Receipt, Income, and Material Well-Being

- **Overall, New Hope participants did not receive fewer AFDC and Food Stamp benefits than their counterparts in the control group. However, in the second year of follow-up those employed full time at random assignment experienced larger reductions in their receipt of public assistance than control group members.**

New Hope was not designed or operated as a "welfare-to-work" program, although it was billed as an alternative to welfare for working poor families; that is, the program did not emphasize typical welfare-to-work services, such as job club and job training. Although program designers expected to find indirect effects on welfare receipt by increasing sample members' earnings or income, pursuit of such effects was not part of the original program design. New Hope program group members who were receiving welfare continued to be subject to any mandates imposed by the welfare department, such as those in the Pay for Performance program.

One might expect to see reductions in the receipt of AFDC and Food Stamps as a consequence of the increases in earnings discussed above. However, this pattern of impacts was not found. Both program and control group members received substantially reduced public assistance during the follow-up period. But rather than further reducing welfare receipt among those not employed full time at random assignment (the group experiencing impacts on earnings), the program accelerated transitions from welfare for those who were employed full time, and only during the second year of follow-up. Table 4 shows that in the second year those employed full time at random assignment received $445 less in AFDC benefits (a reduction of 37.7 percent) and $274 less in Food Stamps (a reduction of 23.5 percent).

Thus, rather than reducing welfare receipt through increased employment, it seems that New Hope effected such reductions by offering those who were close to leaving welfare anyway alternative sources of support. In other words, to some extent New Hope's supplements and in-kind benefits replaced welfare and Food Stamps for these families.

Table 4

The New Hope Project

Two-Year Impacts on Receipt of AFDC and Food Stamps

Outcome	Program Group	Control Group	Difference (Impact)
Employed Full Time at Random Assignment			
Number of months receiving AFDC			
Year 1	3.3	3.4	-0.1
Year 2	1.9	2.6	-0.8 **
Both years	5.2	6.0	-0.9
Amount of AFDC received ($)			
Year 1	1,341	1,396	-56
Year 2	736	1,181	-445 **
Both years	2,077	2,578	-501
Number of months receiving Food Stamps			
Year 1	5.0	5.3	-0.3
Year 2	3.5	4.5	-1.0 **
Both years	8.5	9.8	-1.3 *
Amount of Food Stamps received ($)			
Year 1	1,238	1,305	-67
Year 2	893	1,167	-274 **
Both years	2,131	2,473	-341
Sample size	*218*	*200*	
Not Employed Full Time at Random Assignment			
Number of months receiving AFDC			
Year 1	5.9	5.9	0.0
Year 2	3.9	3.6	0.3
Both years	9.8	9.5	0.3
Amount of AFDC received ($)			
Year 1	2,951	2,962	-11
Year 2	1,716	1,690	26
Both years	4,668	4,652	15
Number of months receiving Food Stamps			
Year 1	7.4	7.5	-0.1
Year 2	5.6	5.2	0.4
Both years	13.0	12.7	0.3
Amount of Food Stamps received ($)			
Year 1	1,827	1,837	-10
Year 2	1,418	1,242	176 **
Both years	3,245	3,079	167
Sample size	*459*	*476*	

NOTE: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

One might have expected to see reductions in welfare receipt tied to increased work effort for those not employed full time at random assignment, but no such reductions materialized. (In fact, New Hope *increased* the amount of Food Stamps received by this subgroup in the second year of follow-up, a program effect that is difficult to explain.) The lack of reduction in welfare receipt in this group may be due to changes in welfare rules that would have delayed or prevented such reductions — for example, increased earnings disregards, which allow people to earn more without having their welfare grant reduced. On the other hand, all participants and control group members volunteered to enroll in New Hope, expressing their ability and willingness to work full time. This means that many would have left welfare anyway, limiting New Hope's effects on this outcome.

- **New Hope caused a modest increase in sample members' income, an effect that was concentrated among those not employed full time at random assignment.**

One of New Hope's primary goals was to increase the income of low-wage workers and to reduce poverty among them. Table 5 documents the extent to which the program met this goal, focusing on two-year cash income and Food Stamps for the full sample and the two employment subgroups. The table shows that by increasing and supplementing earnings, New Hope increased both "earnings-related income" (income directly tied to one's earnings) and total income. However, these effects were modest for the full sample, representing increases of $1,718 and $1,611 for earnings-related income and total income, respectively. This represents 10.8 and 7.1 percent of the income available to these participants in the absence of New Hope (as captured by the control group).

The subgroup breakdown shows that all of this effect is concentrated among those not employed full time at random assignment, for whom there was a more substantial increase in total income of $2,645 (11.8 percent), mostly resulting from an increase of $2,450 in earnings-related income (20.3 percent). No such effects were found for those working full time at random assignment, who actually lost some income in the second year owing to the aforementioned reductions in receipt of AFDC and Food Stamps.

- **By supplementing earnings, New Hope increased the number of sample members whose employment yielded enough income to lift their family out of poverty.**

Another way to look at New Hope's effects on income is to focus on sample members' ability to rise above the poverty line using only their own earnings and benefits directly connected to their work (EIC and New Hope earnings supplements). Ultimately, this outcome best captures New Hope's underlying philosophy: making work pay so that full-time workers would not be poor. Table 6 summarizes the program's effects on this poverty measure for the two employment subgroups. For the program group as a whole (not shown in the table), New Hope increased the number of participants whose earnings-related income was above the federal poverty line for their family by 5.6 percentage points in year 1 and by 7.8 percentage points in year 2.

Table 5

The New Hope Project

Two-Year Impacts on Income from Selected Sources

Outcome	Program Group	Control Group	Difference (Impact)
Full Sample			
In year 1, income from ($)			
Earnings	6,833	6,250	583 **
EIC benefits	893	881	12
Earnings supplement	483	0	484 n/a
Earnings-related income[a]	8,210	7,130	1,080 ***
AFDC	2,450	2,482	-32
Food Stamps	1,643	1,674	-31
All of the above	12,303	11,287	1,016 ***
In year 2, income from ($)			
Earnings	7,862	7,799	63
EIC benefits	1,170	1,022	149 **
Earnings supplement	425	0	425 n/a
Earnings-related income[a]	9,457	8,818	639 *
AFDC	1,427	1,519	-92
Food Stamps	1,262	1,213	49
All of the above	12,145	11,551	595
Sample size	*677*	*676*	
Employed Full Time at Random Assignment			
In year 1, income from ($)			
Earnings	10,227	10,480	-253
EIC benefits	1,312	1,369	-57
Earnings supplement	630	0	630 n/a
Earnings-related income[a]	12,169	11,859	310
AFDC	1,341	1,396	-56
Food Stamps	1,238	1,305	-67
All of the above	14,748	14,561	187
In year 2, income from ($)			
Earnings	10,662	11,550	-889
EIC benefits	1,358	1,390	-32
Earnings supplement	496	0	496 n/a
Earnings-related income[a]	12,516	12,946	-429
AFDC	736	1,181	-445 **
Food Stamps	893	1,167	-274 **
All of the above	14,146	15,294	-1,148 *
Sample size	*218*	*200*	

(continued)

Table 5 (continued)

Outcome	Program Group	Control Group	Difference (Impact)
Not Employed Full Time at Random Assignment			
In year 1, income from ($)			
Earnings	5,295	4,380	916 ***
EIC benefits	699	671	28
Earnings supplement	418	0	418 n/a
Earnings-related income[a]	6,412	5,044	1,368 ***
AFDC	2,951	2,962	-11
Food Stamps	1,827	1,837	-10
All of the above	11,190	9,843	1,347 ***
In year 2, income from ($)			
Earnings	6,602	6,129	473
EIC benefits	1,081	862	219 ***
Earnings supplement	396	0	396 n/a
Earnings-related income[a]	8,079	6,984	1,095 **
AFDC	1,716	1,690	26
Food Stamps	1,418	1,242	176 **
All of the above	11,213	9,915	1,298 ***
Sample size	*459*	*476*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

N/a = not applicable.

[a] This measure combines earnings, EIC, and the New Hope earnings supplement.

Nevertheless, most program participants were unable to "work their way out of poverty" using only the regular earnings and CSJ wages of a single worker, even after New Hope supplements and EIC were included. The impacts on poverty status did not vary significantly across the two subgroups defined by employment status at random assignment.

- **New Hope reduced material hardship, partly by increasing participants' incomes, but more importantly by providing participants' households with health insurance and subsidized child care.**

The effects on income and poverty presented thus far fail to consider the contributions made by the program in providing health insurance, child care subsidies, and support by project staff. As discussed in an earlier section, New Hope spent more money on health insurance and child care than on earnings supplements and CSJ wages. Having access to these benefits and being able to afford them can greatly add to the material well-being of low-income households. The New Hope survey measured impacts on material well-being by asking respondents about a number of different material hardships that commonly affect low-income households, including unmet medical and dental needs, periods without health insurance, housing problems, and utility shutoffs. Program effects on these outcomes are shown in Table 6.

Table 6

The New Hope Project

Two-Year Impacts on the Relationship of Earnings-Related Income to the Federal Poverty Standard

Outcome	Program Group	Control Group	Difference (Impact)
Employed Full Time at Random Assignment			
Earnings-related income above the poverty standard (%)			
Year 1	46.7	41.5	5.2
Year 2	50.7	43.8	6.9
During follow-up, reported any: (%)			
Unmet medical needs	15.1	14.2	0.9
Unmet dental needs	19.9	19.7	0.2
Periods without health insurance	46.8	55.2	-8.5
Overcrowding	12.4	16.7	-4.3
Utility shutoffs	35.6	34.3	1.3
Other housing problems	43.5	37.1	6.4
Number of times answered "yes" to any of the above	1.7	1.8	0.0
Sample size	*187*	*162*	
Not Employed Full Time at Random Assignment			
Earnings-related income above the poverty standard (%)			
Year 1	16.3	10.7	5.6 **
Year 2	26.9	18.6	8.2 ***
During follow-up, reported any: (%)			
Unmet medical needs	17.0	22.6	-5.6 *
Unmet dental needs	26.7	33.6	-6.8 **
Periods without health insurance	49.3	60.5	-11.3 ***
Overcrowding	13.8	15.2	-1.4
Utility shutoffs	41.9	43.0	-1.1
Other housing problems	46.0	49.7	-3.7
Number of times answered "yes" to any of the above	1.9	2.2	-0.3 ***
Sample size	*365*	*369*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Earnings-related income combines earnings, EIC, and the New Hope earnings supplement.

The table shows that New Hope did not produce improvements in all of these areas, but significantly reduced material hardships associated with lack of health insurance. Those effects were stronger for those not employed full time at random assignment, although differences across subgroups were not statistically significant.

Also, analyses of survey data found that program group members spent significantly less of their own funds on child care than control group members, despite the fact that they were more likely to use center-based care, which tends to be more expensive. (Impacts on child care use are discussed in more detail in a later section of this Executive Summary.)

Stress, Worries, and Emotional Well-Being

- **New Hope reduced stress and worries reported by participants, but it increased time pressure in the lives of those who worked more in response to the program's incentive. The program also increased the social support available to participants. However, New Hope did not improve participants' feelings of depression, mastery, or self-esteem.**

To gauge the less tangible benefits of New Hope, the survey asked sample members about issues like stress, financial worries, satisfaction with their standard of living, and social support. Sample members who were part of the Child and Family Study (CFS) were also asked about depression, mastery, self-esteem, feelings of agency, and time pressure. An analysis of the program's effects on these outcomes showed an interesting pattern, summarized in Table 7.

First, sample members in the CFS reported large and significant increases in social support as a result of their participation in New Hope, probably because the program provided valuable advice, assistance, and emotional support. This effect was strong for both employment subgroups and identifies an aspect of the program that has not yet been discussed extensively, namely, the role of project reps. The frequent interaction of these program staff members with New Hope participants can almost be considered a fifth program component (in addition to the earnings supplements, CSJs, health insurance, and child care subsidies), which may have had its own effects on sample members' well-being. These services were especially valuable to participants who were employed full time at random assignment and were less likely to find case management in other venues).

Overall, New Hope program group members reported being less stressed than control group members (effects for the full sample, not shown in Table 7, were statistically significant). Reasons for the reduction in stress may include, for example, greater financial security, less overtime work, and fewer child care hassles. Among those not employed full time at random assignment, New Hope also reduced a number of specific worries. These program group members were less worried about their medical care, about being able to afford housing, and about their financial situation in general.

Table 7

The New Hope Project

Two-Year Impacts on Emotional Well-Being

Outcome	Program Group	Control Group	Difference (Impact)
Employed Full Time at Random Assignment			
Stressed much or all of the time (%)	42.5	49.2	-6.8
Worried "quite a bit" or "a great deal" about (%)			
Bills	50.9	51.1	-0.2
Job security	30.6	33.6	-2.9
Medical care	39.2	41.0	-1.8
Paying for food	27.9	27.6	0.3
Affordable housing	30.1	34.3	-4.2
General financial health	51.4	55.2	-3.7
Sample size	*187*	*162*	
Satisfied or very satisfied with standard of living (%)	70.6	74.4	-3.8
CES-Depression Scale	15.1	16.3	-1.2
Pearlin Mastery Scale	3.1	3.2	0.0
Rosenberg Self-Esteem Scale	17.7	17.5	0.2
State Hope Scale	3.0	2.9	0.2 **
Parent Time Pressure Scale	3.9	3.7	0.1
How happy with progress toward goals	2.1	2.3	-0.2
Social Support (%)			
Received practical advice/assistance	31.0	11.1	19.8 ***
Received emotional support/counseling	34.1	12.4	21.7 ***
Sample size[a]	*95*	*87*	
Not Employed Full Time at Random Assignment			
Stressed much or all of the time (%)	44.6	49.6	-5.0
Worried "quite a bit" or "a great deal" about (%)			
Bills	53.3	54.8	-1.5
Job security	40.7	44.6	-3.9
Medical care	41.7	50.8	-9.2 **
Paying for food	29.9	32.8	-2.8
Affordable housing	34.2	40.5	-6.3 *
General financial health	57.7	65.1	-7.4 **
Sample size	*365*	*369*	

(continued)

Table 7 (continued)

Outcome	Program Group	Control Group	Difference
Satisfied or very satisfied with standard of living (%)	64.6	66.7	-2.1
CES-Depression Scale	17.8	17.1	0.7
Pearlin Mastery Scale	3.1	3.1	0.0
Rosenberg Self-Esteem Scale	17.5	17.4	0.1
State Hope Scale	2.9	2.9	0.0
Parent Time Pressure Scale	3.8	3.6	0.2 **
How happy with progress toward goals	2.3	2.3	0.0
Social Support (%)			
Received practical advice/assistance	29.1	22.5	6.5
Received emotional support/counseling	32.1	19.6	12.5 ***
Sample size[a]	*194*	*214*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

These scales are sets of questions developed to assess particular personal and social characteristics. The CES-D measure assesses parent's experience of depression; the Pearlin Mastery Scale assesses a person's sense of control; the Rosenberg Self-Esteem Scale assesses a person's level of self-esteem; the State Hope Scale assesses a person's belief in her ability to achieve goals; the Parent Time Pressure Scale consists of two questions regarding whether a person had too little or too much time; and social support consists of two questions regarding whether or not a person ever received practical advice or assistance and emotional support/counseling from staff in any program. See Appendix I in the full report for a more detailed explanation of these scales.

[a] Data from the measures to which this sample size applies are for the Child and Family Study (CFS) sample only. (Most of these measures were only available for this sample).

Among CFS parents, effects were found on their feelings of agency (measured with the Hope Scale), capturing their sense that they could achieve their goals, but these positive socioemotional effects were accompanied by an increase in time pressure, especially for those not employed full time at random assignment.[9]

The evaluation did not find significant program effects for CFS parents on more stable, personal dispositions such as depression, mastery, and self-esteem.

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[9] The latter two effects were measured only for the CFS sample.

Impacts on Parent-Child Relations and Child Care Use

- **For parents employed full time at random assignment, New Hope moderately increased parental warmth and monitoring of children's activities.**

The Child and Family Study (CFS) component of the New Hope evaluation measured family dynamics and the interaction between parents and children using the participant survey and surveys administered to children. (See Table 8.) It was expected that changes in parental employment, material resources, and emotional well-being would play themselves out in the relationships between parents and children and in the home environments in which children grow up. Boys in New Hope families perceived relationships with their parents to be more positive (not shown in a table).[10] Parents in New Hope who were employed full time at random assignment expressed more feelings of warmth to their children and monitored their activities more. These positive effects on parents' behavior suggest that New Hope modestly improved the lives of these families, perhaps by allowing parents to cut back their work hours without significantly reducing their earnings-related income.

Those not employed full time at random assignment did not experience similar effects on parenting, which may reflect increased demands and time pressure for these parents that could offset positive effects from increased resources and employment.

- **Through its provision of child care subsidies and its effects on parental employment, New Hope substantially increased children's exposure to formal child care, after-school care, and other organized activities.**

The provision of child care subsidies coupled with increases in parents' employment were expected to increase the use of child care and to allow parents to select the care they preferred. As parents consolidated their employment, many used New Hope to provide formal center-based and school-based child care for their preschool and school-age children. Although the program effect was significant for the full sample (not shown in a table), there was a somewhat stronger effect on use of center-based care during the preschool and early school years for girls and on use of school-based extended day care for school-age boys (see Table 9).

The New Hope subsidy could be used for licensed home-based child care, but there was no effect of the program on using this type of care. There was some tendency for program group members to use less home-based child care (licensed or unlicensed) than control group members; program group boys were less likely to be cared for by someone outside the household, and program group girls received less care by household members.

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[10] All of these findings are based on scales used in the two-year follow-up survey. Because it is difficult to gauge the size of effects on such scales, researchers like to express them in terms of "effect sizes," which correspond to the effect divided by the standard deviation of the outcome. In those terms, New Hope increased reported warmth and observed warmth by .27 and .22 standard deviations and caused an effect of .31 of a standard deviation on parental monitoring. All of these effects are considered moderately large compared with effects in other intervention studies. For more details, see Chapter 6 of the full report.

Table 8

The New Hope Project

Two-Year Impacts on Parenting and Parent-Child Relationships for the Child and Family Study (CFS) Sample

Outcome	Program Group	Control Group	Difference (Impact)
CFS, Employed Full Time at Random Assignment			
Parenting			
Reported warmth	4.7	4.4	0.3 *
Observed warmth	2.1	2.0	0.2
Control[a]	2.7	2.8	-0.1
Monitoring[b]	3.7	3.6	0.1 **
Cognitive stimulation	24.2	23.2	1.0
Sample size	*148*	*122*	
Child's perception of parent-child relations			
Perceived positive quality	4.6	4.4	0.1
Perceived negative quality	2.5	2.6	-0.1
Sample size	*77*	*74*	
CFS, Not Employed Full Time at Random Assignment			
Parenting			
Reported warmth	4.5	4.5	0.0
Observed warmth	2.0	2.0	0.0
Control[a]	2.8	2.9	-0.1
Monitoring[b]	3.6	3.7	-0.1
Cognitive stimulation	24.1	24.1	0.0
Sample size	*290*	*334*	
Child's perception of parent-child relations			
Perceived positive quality	4.5	4.4	0.1
Perceived negative quality	2.6	2.6	0.0
Sample size	*168*	*194*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Parental control is a measure of the consistency and effectiveness of parents' disciplinary strategies.

[b] Parental monitoring is a measure of parents' familiarity with their children's friends and whereabouts.

Table 9

The New Hope Project

Two-Year Impacts on Child Care Outcomes for Children in the Child and Family Study (CFS) Sample, by Child's Gender

Outcome	Program Group	Control Group	Difference (Impact)
Boys			
Since random assignment, children who were ever in: (%)			
Formal care	59.7	52.3	7.4 *
Head Start	21.0	19.7	1.3
Center-based care	36.8	31.9	4.9
School-based extended day care	15.5	7.2	8.3 ***
Any other program	4.2	8.5	-4.3 *
Home-based care[a]	62.9	66.3	-3.3
Care by non-household member	18.1	25.0	-6.9 *
Care by household member, not primary caregiver	50.4	55.5	-5.1
Sample size	*241*	*232*	
Girls			
Since random assignment, children who were ever in: (%)			
Formal care	57.2	44.7	12.5 ***
Head Start	13.3	17.2	-3.9
Center-based care	39.4	25.8	13.6 ***
School-based extended day care	10.0	6.8	3.2
Any other program	4.3	7.3	-3.0
Home-based care[a]	63.7	70.3	-6.7
Care by non-household member	21.3	21.4	0.0
Care by household member, not primary caregiver	52.7	60.4	-7.7
Sample size	*197*	*235*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Home-based care includes both regulated and unregulated care in residential settings.

In addition, 9-to-12-year-old children whose parents were New Hope participants were more likely to engage in structured out-of-school activities (such as lessons, organized sports, religious classes, clubs and youth groups, and recreation centers). They also watched more TV on weekends (not shown in a table).

Impacts on Child Outcomes

- **Teachers reported that boys whose parents were in New Hope had better academic performance, stronger study skills, higher levels of social competence, and fewer behavior problems than control group boys.**

The Child and Family Study (CFS) component of the New Hope evaluation included a survey of teachers of children who were in school. New Hope had large effects on the behavior and school performance of boys. Using standardized scales, teachers rated their students' academic performance, classroom skills (for example, ability to work independently and to make transitions), positive behavior (for example, social competence), and behavior problems (for example, agression). The teachers, who were unaware of the program or control group status of their students' families, rated boys whose parents were in New Hope significantly higher than control group boys on school performance, classroom skills, and positive behavior and significantly lower on behavior problems (see Table 10).[11] No effects occurred for girls, but girls in both research groups scored better than boys on the above measures, possibly indicating less need for improvement.

For families in which parents were not employed full time at random assignment, these effects on school outcomes were reflected in two measures of school progress: Children in New Hope families were less likely to be receiving educational services or to have been retained in a grade than control group children.

- **Boys whose parents were in New Hope reported higher educational expectations and higher occupational aspirations and expectations, implying that the program affected their ambitions for future study and careers.**

The New Hope survey asked children about their educational and occupational aspirations. It was hypothesized that New Hope might change children's feelings in this regard, following its effects on their parents' employment and the children's own increased participation in child care and after-school programs. Again, substantial impacts were found, but they were limited to boys. Boys whose parents were in New Hope expected to attend and finish college in greater numbers and were more likely to aspire to professional and managerial occupations with high social prestige than boys in the control group.

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[11] Expressed in effect sizes, the effects on academic performance, classroom skills, positive behavior, and behavior problems were .33, .38, .50, and -.48 of a standard deviation, respectively. All of these effects are considered large compared with effects in other intervention studies.

Table 10

The New Hope Project

Two-Year Impacts on Education, by Child's Gender

Outcome	Program Group	Control Group	Difference (Impact)
Boys			
School achievement[a] (%)			
Teacher report			
Social Skills Rating System			
Academic Subscale	3.3	2.9	0.3 **
Classroom skills			
Total skills	3.7	3.3	0.4 **
Social behavior[b] (%)			
Teacher report			
Total positive behavior	3.6	3.3	0.3 ***
Total behavior problems	2.3	2.6	-0.3 ***
Sample size	*113*	*96*	
Educational expectations (ages 9-12) (%)			
Child report			
Expects to finish high school	4.6	4.3	0.2
Expects to attend college	4.3	3.7	0.6 **
Expects to finish college	4.1	3.5	0.6 **
Sample size	*76*	*61*	
Occupational expectations[c] **(ages 6-12)** (%)			
Child report			
Expectations	58.3	54.1	4.2 *
Sample size	*108*	*113*	
Girls			
School achievement[a] (%)			
Teacher report			
Social Skills Rating System			
Academic Subscale	3.4	3.3	0.1
Classroom skills			
Total skills	4.1	4.1	0.0
Social behavior[b] (%)			
Teacher report			
Total positive behavior	3.8	3.7	0.0
Total behavior problems	2.2	2.1	0.1
Sample size	*89*	*121*	

(continued)

Table 10 (continued)

Outcome	Program Group	Control Group	Difference (Impact)
Educational expectations (ages 9-12) (%)			
Child report			
Expects to finish high school	4.1	4.3	-0.2
Expects to attend college	4.0	4.2	-0.1
Expects to finish college	3.9	3.9	0.0
Sample size	*75*	*75*	
Occupational expectations[c] (ages 6-12) (%)			
Child report			
Expectations	57.2	56.4	0.8
Sample size	*100*	*127*	

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] The Academic Subscale asked teachers to rate a child's performance in comparison to others on academic skills such as math, reading, and oral communication. In addition, teachers rated classroom skills based on a child's ability to work independently and conform to rules and routines.

[b] Positive behavior was measured by questions assessing a child's self-control, social competency, and autonomy. Behavior problems were measured by questions assessing a child's aggression, lack of control, social withdrawal, and how often a child needed to be disciplined for misbehavior.

[c] Children were asked what job they thought they would have and responses were coded for occupational prestige.

Two-Year Costs of New Hope

- **Over two years, New Hope cost about $7,200 per participant.**

It is too soon to write any final assessment of New Hope's costs and benefits. Two years of costs had been incurred, but the ultimate benefits for families (in terms of employment, income, and poverty) and children (in terms of general well-being and school performance) are not known. Beyond this, the New Hope vision is not easily summarized in any traditional benefit-cost framework, since many of its key goals and achievements cannot be captured in dollar terms. New Hope sought to reduce poverty, improve family functioning, and improve the well-being of children.

With this caveat, the results to date do provide some information on cost effectiveness. Through two years, it cost, on average, approximately $9,000 per participant to provide the New Hope package of services and benefits. Offsetting reductions in public assistance and the value of the work produced in CSJs reduce the costs to about $7,200 per participant. In return, New Hope produced clear impacts on children, moved families out of poverty, and provided participants with about $4,600 in cash or in-kind benefits. Future reports will show the extent to which these total benefits cumulate over time.

Policy Implications

- **The New Hope program represents a useful tool for improving the ability of people to earn their way out of poverty. As with any single approach based on employment, however, it is not a panacea.**

It is unlikely that any effort to reduce poverty through employment could succeed for all participants, even with bolder incentives. To the degree that policymakers hold antipoverty goals, they will need to consider both employment-based solutions and other means to transfer income.

- **It is insufficient to focus solely on work effort and earnings when evaluating employment-related approaches to reducing poverty. The kinds of positive, nonmonetary effects for families and children New Hope achieved are important to many policymakers and the public at large.**

While the public wants all low-income adults who are able to work to do so, it also hopes that policies and programs will help (or at least not harm) the well-being of families and children. New Hope demonstrates that packages like the one it offered can affect families and children in positive ways. This is encouraging and underscores the need to assess such outcomes as part of the evaluation of such efforts.

- **Subsidized community service employment appears to play a central role in a package of incentives and supports like New Hope's.**

New Hope had strong employment effects for those not employed full time at random assignment, effects at least partly accounted for by the CSJs provided by New Hope. However, it is unlikely that providing full-time employment without making sure that it benefits participants financially will produce sustained employment effects. More important, these findings suggest that it is possible to operate a system of subsidized employment, providing real wage-paying jobs, and have people progress into regular employment as these jobs end. There is little evidence that the availability of CSJs enticed workers to leave regular jobs to take subsidized employment instead. However, this may happen and policymakers who are considering a CSJ-like program should develop safeguards and disincentives to reduce its occurrence.

- **Policymakers who want to increase the material and emotional well-being of low-income families should focus at least some of their efforts on providing health insurance, improving child care resources, and offering a user-friendly support system.**

Some of New Hope's strongest impacts were only tangentially related to participants' employment or cash income, centering on the other services provided through the program. New Hope's provision of health insurance and child care subsidies significantly reduced material hardship and worries, may have reduced stress, and may have improved both family relations and child outcomes. In the provision of child care assistance, it appears important to provide immediate and seamless access to these benefits. This means anticipating and addressing the communication difficulties that can occur between parents, child care providers, and the program. New Hope developed a functional system to manage this process.

One possible drawback of providing health insurance to low-income workers is that it dissuades them from looking for a job that provides these benefits. The evaluation found some evidence along these lines, and such an effect could have adverse long-term consequences.

Finally, a key contribution of New Hope to the lives of its participants was the provision of "social support." Project reps were not only eligibility workers, but also provided advice and emotional support that was highly valued by participants. Although it is difficult to prove, the value of New Hope's subsidies and services was likely enhanced by the way in which they were delivered.

- **Policies that encourage parents with low incomes to be employed full time, while allowing some reduction in second jobs and overtime, may represent an optimal strategy.**

By increasing the hours worked by some parents and reducing overtime for others, New Hope enabled its participants to find a more sustainable balance between work and family life. This effect translated into important noneconomic benefits for these families, suggesting that work-based programs should not focus on increasing employment and earnings at all cost.

- **Policymakers interested in improving the well-being of children in low-income families should ensure that child care is actually provided and that out-of-school activities for preschool and school-age children are readily available.**

New Hope produced substantial positive impacts on the behavior and classroom skills of boys, which held up across different age groups and were consistent across different measures. This is encouraging because academic failure and problem behavior are predictors of later school failure, dropping out, and delinquency. These risks are high for boys in low-income families and promising policy alternatives to improve child outcomes are scarce. Although at this point it is not clear which features of New Hope affected the outcomes of these children, formal child care and structured out-of-school activities are strong candidates. Family dynamics and changes in income may also have contributed.

- **Policymakers interested in employment-based approaches to reducing poverty should consider the strengths and limits of having broad eligibility rules, rather than limiting interventions to particular groups of low-income adults. In New Hope, such rules led to positive economic and nonmonetary effects for many groups. However, such a policy of inclusion appears to increase the cost of the program.**

One of New Hope's accomplishments was its ability to reach out to a wide variety of people with low incomes in the target areas it served, including underserved groups such as men, families without children, and working poor families without a welfare history. All of these groups used some parts of the New Hope offer, even though some groups experienced more profound effects on their circumstances and well-being than others.

A major benefit of targeting a program like New Hope to welfare recipients or people with limited work experience is that those groups are more likely to respond to the program by increasing their employment and earnings. Such an employment effect benefits society, offsetting some of the cost of providing program services. The lack of positive employment effects among those already working full time makes it more likely that the program will operate at a net financial loss for these individuals, especially if they reduce their hours of work as happened in New Hope. Thus, policymakers face a trade-off. They can operate a program of work supports that is narrowly targeted at those least likely to seek employment on their own or they can choose to extend those services to the larger population of low-income working families. The former is likely to be less costly, but the latter may generate additional nonmonetary benefits that are valued by society.

- **Other states and localities should consider testing policies like those New Hope implemented. Such a program might have bigger effects in a different context: a weaker labor market, a less employment-driven public assistance system, or a low-income population with less work experience.**

In some ways, this evaluation is a conservative test of New Hope. The job market was healthy, the welfare system was being restructured, and the state and federal EIC programs were expanding, making work an increasingly attractive alternative for low-income residents of Milwaukee. Adding New Hope to this picture further enhanced this climate of promoting and supporting work, producing the program effects detailed in this report. However, had New Hope been implemented in a less favorable environment, its effects might have been more substantial. This report chronicles the potential of a new approach to helping low-income families succeed in the world of work. This approach deserves to be put to the test in a wider range of local environments and economic settings.

Chapter 1

The New Hope Project and Evaluation

As a result of intensified efforts in the United States and other Western nations to find employment-based strategies for helping the poor,[1] states and other localities in this country are rapidly changing their various employment and public assistance policies.[2] These changes, supported by the current consensus that work is at the root of any politically viable solution to poverty, have sometimes led to efforts that appear internally inconsistent, poorly documented, and weakly implemented. Fortunately, the New Hope Project has proved an exception to this characterization.

The New Hope Project, which was designed and implemented in Milwaukee, Wisconsin, offers an innovative and comprehensive approach to reduce poverty, reform welfare, and address the economic self-sufficiency of poor people who can work. New Hope consists of four components: job assistance, including referral to a wage-paying community service job when necessary; an earnings supplement to raise low-wage workers' earned income above the poverty line; subsidized health insurance; and subsidized child care. Certain principles underlie the program: that people who are willing to work full time should have the opportunity to do so, that people who work full time should not be poor, that people should have an incentive to increase their earnings, and that regular employment should be financially more rewarding than subsidized employment or other forms of public assistance.

New Hope operates outside the public assistance systems, though it is designed to be replicable as government policy. It is funded by a consortium of local, state, and national foundations and other organizations interested in work-based antipoverty policy, as well as the State of Wisconsin and the federal government.[3] Designed and operated by a community-based nonprofit organization, it also provides insights into the role that nongovernmental agencies can play in income support.

New Hope's designers recognize that there are various theories about why approximately 11 percent of the U.S. population of working-age adults do not have income above the poverty level.[4] Some focus on structural barriers such as too few jobs, seasonal economies, low wages, and the lack of affordable child care; others emphasize individual barriers such as the lack of job skills or personal motivation. New Hope addresses both kinds of barriers, the assumption being that if structural problems are first corrected, more people will work, and then the individual barriers of those who do not work can be addressed.

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[1] Examples of efforts being tried in other countries include Canada's Self-Sufficiency Project (see Mijanovich and Long, 1995) and Great Britain's Labor government's emphasis on moving beneficiaries from welfare to work (see U.K. Department of Social Security, 1998).

[2] Employment policies include those setting the minimum wage and state and federal Earned Income Credits. Public assistance policies refer primarily to those governing Food Stamps, Medicaid, Temporary Assistance for Needy Families (TANF), and General Assistance (GA).

[3] See Appendix A for a list of organizations funding the New Hope Project.

[4] Calculations based on population data from the U.S. Bureau of the Census and poverty data from Dalaker and Naifeh, 1998.

The New Hope Project is designed to provide information to policymakers on the implementation, effectiveness, and costs of the New Hope program. Is this a workable program model? Does it succeed in boosting employment, raising earned income, increasing economic security, reducing poverty, and lowering use of public assistance? If program participants have children, does the program affect family functioning and the lives of the children? Is the program a good investment for taxpayers, including program participants? To answer these and other policy questions, the Manpower Demonstration Research Corporation (MDRC) is conducting an evaluation of the program under contract with New Hope Inc., the nonprofit organization running the project. This report, the fifth publication to come out of the study, documents the program's effects and costs two years after participants enrolled.[5]

This chapter introduces the New Hope program and its objectives. It also describes the research design, activities, and data sources used to assess the degree to which the program is achieving its expectations at 24 months. Because the effects of any program are shaped by its context, the chapter briefly describes that context and how it is changing during the time of this study. Finally, the chapter describes the model that guides the evaluation and provides the structure for this report.

I. **Program Description**

The New Hope Project enrolled 1,362 low-income adults drawn from two inner-city areas in Milwaukee.[6] Half of the enrollees were randomly assigned to a program group that could receive New Hope benefits and services; the other half were assigned to a control group that could not.[7] New Hope broadly targeted poor people who can work. The program had only four eligibility requirements: that applicants live in one of the two targeted service areas, be age 18 or over, be willing and able to work at least 30 hours per week,[8] and have a household income at or below 150 percent of the federally defined poverty level.[9] New Hope enrolled individuals who were employed or unemployed, on welfare or not on welfare, married or unmarried, and living with or without children. Participation in the program was voluntary. The major benefits and services New Hope offered were as follows:

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[5] Readers primarily interested in New Hope's history, designs, and operations should refer to the comprehensive report on those issues: *Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare* (Brock et al., 1997). Prior publications also include *The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency* (Benoit, 1996); *Who Got New Hope?* (Wiseman, 1997); and *An Early Look at Community Service Jobs in the New Hope Demonstration* (Poglinco, Brash, and Granger, 1998).

[6] This section draws heavily on Brock et al., 1997. The research sample comprises 1,357 adults; 1,362 persons were enrolled, but five were subsequently dropped from the analysis owing to missing background information forms (BIFs).

[7] The experiences and outcomes of the control group members represent what would have happened to the program group members without New Hope. This benchmark is referred to as the "counterfactual" in research terminology.

[8] Several factors led to the decision by New Hope staff to define full-time work as 30 hours or more per week: during the pilot, staff discovered that employers did not consistently offer 35 hours or more; 30 hours was a common threshold used by employers in deciding who received certain benefits; and the 30-hour requirement provided the flexibility necessary to allow for occasional work absences that would have disqualified individuals for New Hope benefits if full time equaled 35 hours or more.

[9] Most enrollees came into the research sample during 1995, when the federal poverty level was $12,278 for a three-person household (one adult and two children) and $7,929 for a one-person household. In 1998, the poverty level was $13,133 for a three-person household and $8,480 for a one-person household.

- **Job access:** Participants who were unemployed or who wanted to change jobs received individualized job search assistance. If participants could not find work in the regular job market after an eight-week job search, New Hope offered them the opportunity to apply for a community service job (CSJ) in a nonprofit organization. These opportunities were also offered to participants who were between jobs or who were employed but not working the 30-hour minimum. The CSJs paid minimum wage and might be either full time or part time. CSJ wages and employment qualified a participant for the federal and Wisconsin Earned Income Credits (EICs) and other New Hope benefits.

- **Earnings supplements:** New Hope offered monthly earnings supplements to program participants who worked at least 30 hours per week but whose earnings left their household below 200 percent of the poverty line. Participants in CSJs also qualified for earnings supplements if they worked a 30-hour minimum. Combined with the EIC, New Hope's earnings supplements raised most participants' annual household income above the poverty line.[10]

- **Health insurance:** New Hope offered a health insurance plan to program participants who worked at least 30 hours per week but were not covered by employer health insurance or Medicaid. Participants were asked to contribute toward the health insurance premium on a sliding scale that took into account their income and household size; New Hope subsidized the remainder.

- **Child care assistance:** New Hope offered financial assistance to cover child care expenses for participants who had children under age 13 and who worked at least 30 hours per week. Participants were asked to pay a portion of the cost based on their income and household size; New Hope covered the remainder. Child care had to be provided in state-licensed or county-certified homes or child care centers in order to qualify for New Hope subsidies.

- **Staff support:** Although not a specific component of the program model, staff support mattered a great deal to participants. Indeed, a key finding from the last report, *Creating New Hope*, was that many participants found the support and encouragement they received from staff to be as important to them as the financial benefits that New Hope offered.

Participants in New Hope could use any number or combination of program benefits and services, depending on their needs. The earnings supplements, health insurance, and child care assistance were structured to create an incentive to work more hours and earn higher wages. Over time, New Hope aspired to help participants stabilize their employment and increase their income to a level where they no longer needed program assistance. However, it acknowledged that some participants would continue to need assistance because of the nature of today's labor market. New Hope's offer of earnings supplements, health insurance, and child care assistance extended for three years after the date participants agreed to participate; CSJs were limited to a total of 12 months over a three-year period. The time limits, which were due to funding constraints, were not considered integral to the program design. Rather, most of New Hope's designers assumed that New Hope's benefits would need to be permanently available if New Hope was ongoing policy.

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[10] Participants' income may be below the poverty line if they work just 30 hours, but will rise above it as their hours increase. The exception is for very large households: earnings supplements are adjusted upward for household size up to a maximum of two adults and four children. New Hope's other financial benefits — health insurance and child care — are extended to all eligible household members, regardless of household size. For more detail on how the financial benefits were calibrated, see Appendix C in Brock et al., 1997.

II. Research Hypotheses, Design, Activities, Data Sources, and Framework

The founders and staff of the New Hope Project, in their *Request for Proposals for Evaluation*, wrote that they were "committed to giving the concepts of this Project as full and fair a test as possible, and committed to learning what works, what doesn't, and why."[11] In order to meet this high standard, the evaluation was built around an experimental design. Program applicants who met New Hope's eligibility criteria were randomly assigned to one of two groups: a program group that could participate in New Hope or a control group that could not. By comparing the outcomes of the two groups over time, it is possible to distinguish the effects specific to New Hope from those that might have occurred for other reasons because the random assignment process ensures that the characteristics, backgrounds, and motivation levels of program and control group members do not differ systematically at the beginning of the study. After random assignment, the only *systematic* difference between the program and control groups is that one group had access to New Hope. Therefore, any differences between the two groups in employment, income, or other outcomes can be attributed to the New Hope intervention.[12]

A. Hypothesized Outcomes

New Hope's founders expected that its combination of benefits and services — job access, earnings supplements, health insurance subsidies, and child care subsidies — would lead to increased employment and improved economic standing relative to what would have occurred without New Hope because the program would offer a "comparative advantage" to the program group members, over and above what would have been available to them from other programs, policies, and benefits outside New Hope. The experimental research design makes it possible to test whether or not New Hope met its objectives, expressing those objectives as research hypotheses. Specifically, this report examines whether or not New Hope's program group, relative to the control group, experienced the following outcomes:

- increased use of benefits and services including health insurance and structured child care;
- increased economic status including higher rates of employment, higher earnings, reduced welfare, and reduced poverty;

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[11] New Hope Project, 1992, p. 3.

- improved adult well-being as reflected in measures of stress, worries about financial issues, and material hardship.

In addition, the report examines New Hope's effects on various subgroups within the research sample.

If program group members experience these effects, then the people closest to them — their children, spouses, and partners — may be expected to undergo improvements or changes in their lives as well. Increased income precipitated by New Hope may translate into more material resources for the family. The health insurance provision of New Hope may increase the likelihood that children receive immunizations and treatment for minor illnesses. The child care subsidy may enhance the cognitive stimulation and socialization experiences to which children are exposed. Such experiences may eventually improve school performance. Increased employment by parents may lead to the restructuring of family chores and responsibilities, which in turn could affect how children spend their time and how they get along with their parents. Children who see their parents going to work regularly and bringing home paychecks may develop higher aspirations for their own future. Given these possibilities, the New Hope evaluation is also testing a set of hypotheses about New Hope's effects on families and children.[13] By comparing the outcomes for program and control group families and children, the evaluation will determine if New Hope leads to the following:

- changes in family dynamics as measured by changes in the home environment, parent-child relations, and child activities;
- improved child outcomes including their educational progress, educational aspirations, psychological well-being, and social behavior.

The report also examines New Hope's effects on various subgroups of families and children within the research sample.

In addition to addressing hypotheses about New Hope's effects, the report attempts to answer questions about the links among those effects, such as: How does the use of benefits relate to New Hope's effects on economic outcomes? If New Hope affects both family routines and the nature of children's child care experiences, is one of these more important than the other in shaping children's development or behavior?

B. Random Assignment Process

Random assignment of the New Hope sample began in August 1994 and ended in December 1995. Initially, New Hope planned on randomly assigning 1,200 applicants, but eventually re-

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[12] To make a net difference, New Hope had to offer employment supports that were distinct from the policies and programs affecting the experiences of the control group. New Hope's designers referred to this as the need to create a "comparative advantage."

[13] In the past 10 years, policymakers have increasingly been interested in the effects of welfare and employment policies on children and youth. In addition to New Hope, several other current evaluations with random assignment designs include measures to address this area. Two examples of other studies examining the effects of employment-based incentives are the evaluation of Minnesota's Family Independence Program (see Miller et al., 1997) and Canada's Self-Sufficiency Project (see Lin et al., 1998).

cruited and randomly assigned 1,357 people to the program and control groups.[14] All sample members are included in the core analyses of New Hope's economic effects (the first set of hypotheses listed above). About 55 percent of the sample (745 sample members) are included in the study of program effects on families and children (the second set of hypotheses presented above). The latter subgroup, identified in this report as members of the Child and Family Study (CFS), was identified on the basis of having at least one child between ages 1 and 10 at baseline.[15] MDRC will track the experiences of program and control group members over a period of up to five years to see how families are faring.

Figure 1.1 depicts the random assignment process. New Hope staff performed a variety of outreach activities to identify potential program applicants and invited them to attend a program orientation. At the orientation, staff explained the New Hope offer, eligibility criteria, research objectives, and random assignment process. Persons interested in participating met with New Hope staff afterward to determine whether they met the four eligibility criteria (residence in a target neighborhood, age 18 or over, able and willing to work at least 30 hours per week, and income at or below 150 percent of poverty level). New Hope staff asked applicants who qualified to complete a baseline questionnaire on their demographic and household characteristics, employment and welfare history, and opinions about work and welfare.

Once the baseline forms were completed, New Hope staff called MDRC to determine applicants' research group status. (Applicants' identification information, such as name and Social Security number, was read over the telephone and entered into a computer for random assignment; applicants had an equal chance of being assigned to the program or the control group.) They were immediately informed about their status. Program group members were asked to sign a participation agreement and could begin participating in New Hope immediately. Control group members were told that they could not be served by New Hope, but were given a list of other organizations they could go to for employment-related help.

C. Research Activities and Data Sources

Most of the information on New Hope's operations comes from field research interviews with participants and staff working for the program, a review of program documents, and focus groups held with staff and participants. Material describing the members of the research sample at enrollment, and used to group them for various analyses, came from an enrollment form and a survey of opinions about employment. Each was completed prior to random assignment. In an independent effort to understand the program's context, research staff selected a random sample of dwelling units in the New Hope target neighborhoods and interviewed the inhabitants to assess general knowledge about the program in its catchment area. The report uses this survey and other

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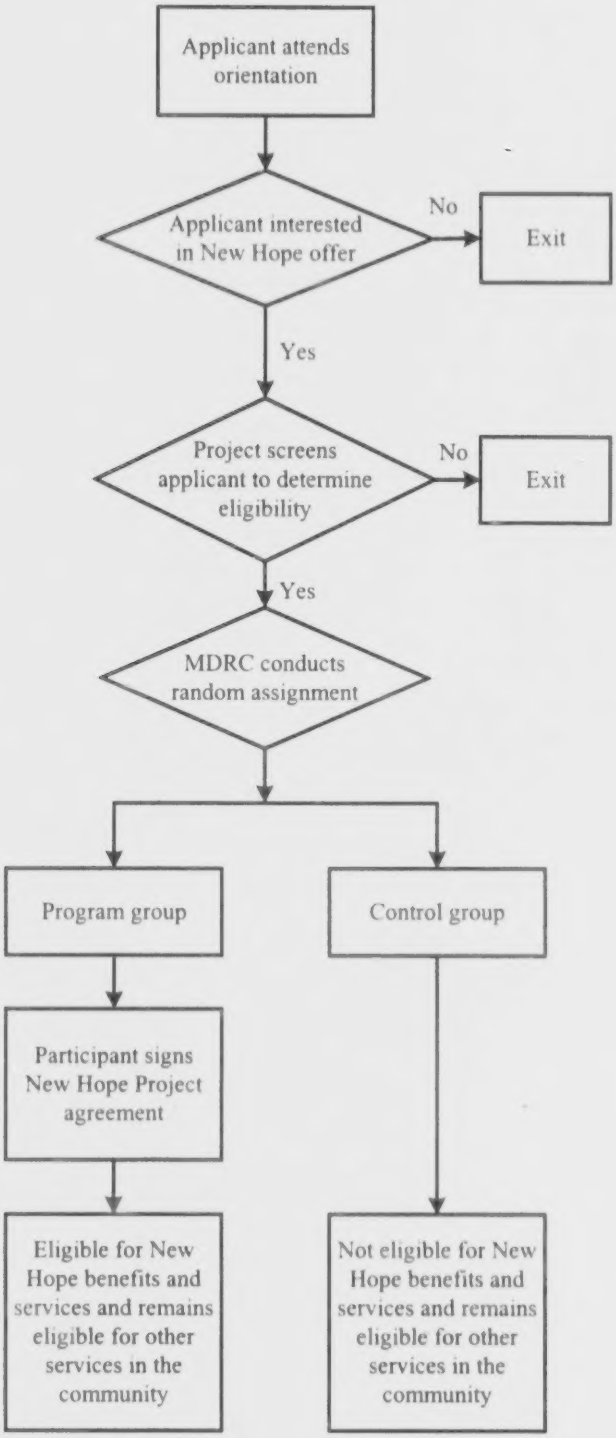
[14] Five sample members were subsequently dropped from the analysis owing to missing baseline forms. The research sample comprises 1,357 adults.

[15] This age range was chosen because a major funder of this work, the MacArthur Foundation via the MacArthur Network on Successful Pathways Through Middle Childhood, focuses on children aged 5 to 12. Given the 24-month follow-up period for this report, of the children who were born at baseline in these families, the youngest would be approximately 3 to 12 at this follow-up and 6 to 15 at a follow-up planned at 60 months. Of the 812 families who met the criteria for inclusion in the CFS, 67 were Asian and Pacific Island immigrants. The research team determined that the measures used to assess family functioning, parent psychological well-being, and child development were not culturally appropriate for this group. Thus, these families were not included in the CFS, although they remained part of the research sample for the core analyses. This created a CFS research sample of 745 families.

Figure 1.1

The New Hope Project

Overview of the Random Assignment Process for the New Hope Project


Applicant attends orientation
Applicant interested in New Hope offer
No
Exit
Yes
Project screens applicant to determine eligibility
No
Exit
Yes
MDRC conducts random assignment
Program group
Control group
Participant signs New Hope Project agreement
Eligible for New Hope benefits and services and remains eligible for other services in the community
Not eligible for New Hope benefits and services and remains eligible for other services in the community

published documents on the Milwaukee labor market to estimate the pool of persons eligible for New Hope and describe their labor market context. A database maintained by the program as its management information system (MIS) provided data on the use of benefits by all program participants.

A variety of administrative records were used to assess New Hope's effects. Unemployment insurance (UI) earnings records measured quarterly earnings and employment. Public assistance benefit records documented welfare payments, Food Stamps, and Medicaid benefits. Tax records provided information on the receipt of Earned Income Credits (EICs).

While administrative records allowed the research team to construct longitudinal measures of several economic outcomes, showing how families fared over time, they did not cover all outcomes of interest. Therefore, much of the outcome data in this report came from a two-year follow-up survey completed by 80.5 percent of the research sample. The survey measured receipt of non-New Hope services; many economic outcomes such as hours of work, hourly wages, and the type of jobs held; and all the noneconomic outcomes regarding family functioning, parent well-being, and child development.

In 1998 the research team began an ethnographic study of 46 families from the CFS that will continue for three years. The sample includes members of both the program and control groups. (See Appendix J for an explanation of the study.)

D. Evaluation Framework

The New Hope experiment is embedded in a larger evaluation framework that takes into account the various factors that may affect a program's implementation and effects. This framework is depicted in Figure 1.2. The context in which New Hope operates — including the characteristics of households living in the target neighborhoods; local labor market conditions; and existing welfare, employment, and social service programs outside New Hope — is presumed to affect the composition of the New Hope sample and the subsequent experiences of program and control group members after random assignment. The race/ethnicity, employment backgrounds, income levels, and other characteristics of people living in New Hope's target areas will partly determine who ends up in the New Hope sample. The local economy — including the number and types of jobs available — will affect the employment patterns of both the program and control groups and may influence how program group members make use of New Hope's benefits and services.

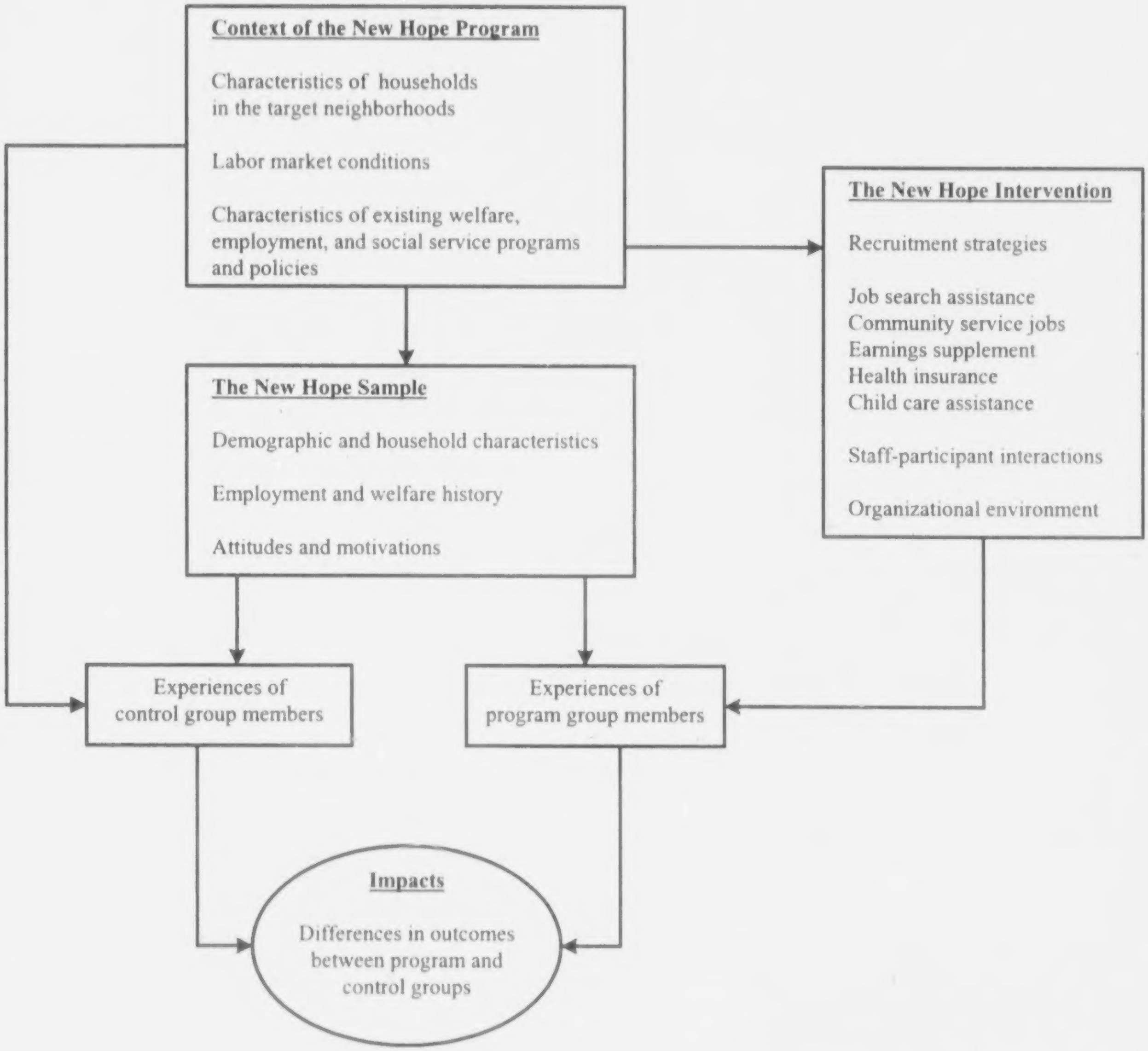
The context in which New Hope operates is also presumed to influence the program intervention itself. New Hope's recruitment strategies, for instance, ought to be shaped by the characteristics of households that the program is targeting: neighborhood residents' needs, languages they speak, and so forth. The services that New Hope provides ought to be influenced by the availability of other social service and employment-related programs in the community and the cooperativeness or competitiveness of these organizations with New Hope.

The measured characteristics of the New Hope sample include demographic variables (gender, age, educational attainment, race/ethnicity), household status (married or single, living with or without children), employment and welfare history, and attitudinal and motivational factors. Such characteristics may help explain post-random assignment experiences of program and control group members. To illustrate, people's ability to find work and the amount of money they earn may be explained in part by their gender, employment experience, and educational attainment. How hard

Figure 1.2

The New Hope Project

Factors Affecting the Implementation and Impacts of the New Hope Program


Context of the New Hope Program
Characteristics of households in the target neighborhoods
Labor market conditions
Characteristics of existing welfare, employment, and social service programs and policies
The New Hope Intervention
Recruitment strategies
Job search assistance
Community service jobs
Earnings supplement
Health insurance
Child care assistance
Staff-participant interactions
Organizational environment
The New Hope Sample
Demographic and household characteristics
Employment and welfare history
Attitudes and motivations
Experiences of control group members
Experiences of program group members
Impacts
Differences in outcomes between program and control groups

sample members try to look for work or how much program group members take advantage of New Hope may be explained by their motivation levels at the time they entered the study.

At its core the New Hope intervention consists of job search assistance, community service jobs, earnings supplements, health insurance subsidies, and child care subsidies, which must be available and delivered to program participants who qualify and request services in order for New Hope to receive a "fair test." However, the intervention is defined by more than these benefits and services. It is also characterized by the recruitment strategies that the program uses, the nature and frequency of interactions between participants and staff, and the general organizational environment.

III. The Policy Context of New Hope

The policy context of the New Hope evaluation has changed considerably since the time when New Hope was first conceived. Major events include welfare reforms that focus directly on employment and efforts to make low-wage work "pay" by expanding federal and state Earned Income Credits. Because these changes affect the New Hope context, they can affect the behavior of all the participants in this evaluation. This section describes both the ideas behind New Hope and the various policy changes and their importance for understanding the results in this report.

A. The Analysis That Led to New Hope

The New Hope Project traces its roots to the Congress for a Working America (CFWA), a nonprofit organization founded in 1979 to develop and promote public policies that support full employment at living wages.[16] During the 1980s, David Riemer — a lawyer and founding board member of CFWA (and later New Hope) — researched and wrote *The Prisoners of Welfare* (1988). The book examined the structural problems of both the welfare system and the labor market that cause people to be poor. Riemer proposed that the existing welfare system be eliminated and replaced with an alternative structure that provides various supports to people based on their employment experience.

In 1988 CFWA appointed a steering committee made up of CFWA staff, community activists, and low-income residents to consider whether a program like the one Riemer envisioned could be implemented in Milwaukee. New Hope Inc. was formed, and within the next six years it created various advisory groups, pilot-tested the program, selected MDRC as its contractor for the program evaluation, and began participant enrollment. By December 1995 enrollment was complete.

The analysis that led to New Hope is straightforward: persons need access to jobs, employment needs to be financially more rewarding than not working, increased work should raise income, those who can work should support themselves through employment, and full-time employment should get people out of poverty.

New Hope's designers looked at the low-wage labor market and the prevailing public assistance benefits and tax code and saw problems. Too often persons did not have the skills needed to secure an unsubsidized job. Perhaps more important, work — especially when one considered work-related expenses such as child care — often did not pay appreciably better than welfare. And attempts to improve the utility of work — such as the Earned Income Credit (EIC) — were modest and left even full-time workers in poverty.

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[16] The history of the New Hope Project is discussed in Brock et al., 1997.

No single element in this analysis was uncommon or surprising: over the years, federal and state policymakers had been pursuing many strategies to increase employment and earnings among welfare recipients and to improve the economic prospects of low-income, low-skilled individuals. But the wedding of job access, financial supports for work, and an antipoverty goal was uncommon in the late 1980s and remains so today.

Conceptually, New Hope's benefits have much in common with the EIC, which was designed to offset the burden of the Social Security payroll tax, supplement low-wage earnings, and promote work as a viable alternative to welfare. Up to a specified income level (which varies by family size), the amount of the credit increases as earnings increase; beyond a certain income level (which again varies by family size), the credit is phased out. So long as people have earnings, they may qualify for the EIC even if they owe no taxes. It may be paid out to them as a tax refund in one lump sum or distributed partly as a lump sum and partly in installments added to workers' paychecks throughout the year.

By itself, the EIC is usually not sufficient to lift the incomes of the working poor above the poverty line, but it makes significant progress in this direction.[17] (Ten states, including Wisconsin, have EIC programs that work in tandem with the federal EIC and add to its value.)[18] New Hope's earnings supplements were designed with the federal and Wisconsin EIC programs as the foundation. In most instances, New Hope's earnings supplements fill the gap that remains between earnings and the poverty threshold, after the federal and state EIC payments are credited. The other benefits and services that New Hope provides make the EIC and the earnings supplement even more valuable, because they help to ensure that work is available to people who want it and that workers have health insurance and affordable child care.

Although New Hope can be characterized as an expanded version of the EIC, it also contains lessons for welfare reform under TANF, the federal welfare block grant. States have considerable latitude under TANF in how they design and operate their cash assistance programs. At the same time, TANF's strict work participation requirements and 60-month time limit on cash assistance make it necessary for states to help recipients find employment quickly. One way for states to meet TANF's objectives may be to use TANF funds to create paid community service jobs (CSJs) or to supplement the wages of people who work in the regular labor market but who do not earn sufficient income to support their family. States may also use their TANF block grants to subsidize child care. Medicaid, as noted above, is not significantly affected by TANF, thus ensuring that most TANF recipients will remain eligible for health insurance coverage.[19] New Hope offers a framework for integrating these components into a work-based support system for TANF recipients.

Wisconsin's TANF program, known as Wisconsin Works (or W-2), provides an example of a state welfare reform program that contains many New Hope elements.[20] Appendix B compares key features of the two programs. Like New Hope, W-2 is a work-based system of aid that creates employment opportunities for people unable to work successfully in the unsubsidized labor market. Both programs limit the number of years that participants may receive benefits: three years for New Hope and five years for W-2. (As noted earlier, New Hope's time limits are due to funding constraints and are not considered part of the program design.) Also, like New Hope, W-2 offers subsidized child care. Wisconsin families with an income below 165 percent of poverty level may access child care even if they do not rely on W-2's subsidized jobs. Medicaid (known as Medical Assistance in Wisconsin) is run separately from W-2, but W-2 participants and nonparticipants may apply if they meet income guidelines.

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[17] Center on Budget and Policy Priorities, 1996.

[18] The remaining nine states are Iowa, Kansas, Maryland, Massachusetts, Minnesota, New York, Oregon, Rhode Island, and Vermont (Johnson and Lazere, 1998).

[19] Greenberg and Savner, 1996.

There are important differences between W-2 and New Hope despite their common focus on work. Unlike New Hope, W-2 does not offer benefits to adults without children. Another key difference is that W-2 benefits are not be adjusted to bring the incomes of participating families above the poverty line if parents work full time. W-2's subsidized jobs pay a fixed grant for the work that participants perform; as in the regular labor market, participants' household size will not be factored into their rate of pay. New Hope pays CSJ participants a minimum wage and uses the earnings supplement (not available in W-2) to adjust for larger households and raise most participants' income above the poverty level. Further, New Hope's CSJ participants qualify for the federal and Wisconsin EICs, whereas W-2 participants do not. Finally, W-2's three tiers of job placements — trial jobs, CSJ, and transitional placements — create categorical distinctions among participants that New Hope avoids. Despite these differences, W-2 illustrates the options that states have under TANF to operate cash assistance programs that are radically different from AFDC — and possibly more like New Hope.

B. The Changing New Hope Context

Because this report examines outcomes for participants two years after they enrolled, it is focused on the period from August 1994 to December 1997: from the time that the first person enrolled in the project to 24 months after the last person enrolled.

During New Hope's design, enrollment, and follow-up period, its context evolved. Notably, as New Hope was being designed the Milwaukee economy improved markedly. The unemployment rate in Milwaukee County fell from 6.5 percent in 1986 to 4.1 percent by 1989. It has remained between 5.0 percent and 3.6 percent since that time. In such a labor market, it is generally easier for persons to get and hold onto jobs as employers adjust to a tighter labor supply. Other changes in the rules and funding for EICs, child care, and health benefits made all of them more widely available.

In many ways, the changes that have occurred represent a victory for the principles underlying New Hope. In Wisconsin particularly, welfare is now a work-based system of support. Child care assistance and health insurance are or should soon be available to low-income workers. The expanded federal and state EICs boost incomes of many full-time workers over poverty. New Hope, through its advocacy work in the state, played a role in helping to bring about some of these changes.

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[20] For an in-depth analysis of W-2, see Institute for Research on Poverty, 1996.

The policy changes, which affect the supports available to the members of both the program and control groups, have "raised the bar" for the project. Even with some implementation problems, they have diminished the difference between what New Hope offers and what is available outside New Hope, making it more difficult for the project to create a net difference.[21] To the degree that the New Hope context is atypical of other states and cities, the various changes create less than ideal circumstances for this evaluation.

Figure 1.3 captures some of the changes that are directly relevant to understanding New Hope's effects.

- **W-2 began operations just before the end of the follow-up period for this report. However, other welfare reforms occurred earlier.** In 1994 Wisconsin's governor announced that AFDC would end in Wisconsin. General Assistance (the cash aid program to low-income people without children) ended in 1995. A welfare reform known as Pay for Performance, which tied receipt of AFDC benefits to work, began in 1996. Finally, all prior welfare reforms were replaced by the W-2 program, which was implemented statewide in 1998. Taken together these changes meant that some persons on welfare were more likely to work and that workers might be more likely to sustain employment by not leaving a job. Either event would diminish New Hope's ability to create a net effect on various measures of employment.

- **In 1996 the federal government passed national welfare legislation that block-granted funds to states, cutting the tie between health insurance and AFDC benefits for families on welfare.** Prior to 1996 health insurance via Medicaid was provided to all AFDC recipients and to some other low-income families. New Hope offered its participants the same HMO that Milwaukee County Medicaid recipients used, so there was no difference between the New Hope plan and the one available to all welfare recipients in the program and control groups. New Hope's advantage was that it provided affordable health care to people not on welfare (for example, people without children) and was more affordable for most participants than plans provided by private employers. Thus, New Hope's health benefits remained distinct from others during the follow-up period in this report, particularly for persons who were not on AFDC.

- **The State of Wisconsin passed an EIC in 1989 that was tied to the federal credit.[22] The federal government increased the federal EIC in 1990 and again in 1993. In response, from 1994 onward, the state sought to limit its**

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[21] Perhaps because Food Stamp and Medicaid eligibility are no longer tied to cash assistance eligibility under TANF, both Wisconsin's Medicaid and Food Stamp receipts are down, even though many of the "leavers" are probably still eligible. Similarly, child care assistance has been drastically underused. According to a new study on state capacity from the Rockefeller Institute of Government, the state estimated that "77,000 children would be in state-supported care in December 1997. The actual number was 19,500 which was less than the total actually served or on waiting lists 12 months previously" (Nathan and Gais, 1999).

[22] Wisconsin first adopted a state EIC, as a percentage of the federal credit, in 1984; it was repealed in 1986 and reenacted in 1989.

Figure 1.3

The New Hope Project

Chronology of Major Program and Contextual Developments: 1988-1999

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
New Hope Project	New Hope steering committee formed	Proposal to launch New Hope drafted			Pilot begins.		Pilot ends. Demonstration and sample intake begin	Sample intake ends.	Two-year survey begins.	First sample members reach 3-year limit.	Two-year survey ends. Last sample members reach 3-year timelimit. Demonstration ends.
State of Wisconsin		State EIC begins	JOBS program implemented				State manages EIC growth. State decides to end AFDC.	General Assistance ends.	Pay for Performance implemented. W-2 signed into law	W-2 implemented, including Wisconin Shares (child care).	Pay for Performance ends.
U.S. Government	FS benefits increase Family Support Act passed. JOBS program created.		EIC expands. JOBS implemented in all 50 states.			FS benefits increase. EIC expands.			Child care funding increases. PRWORA passes. AFDC and JOBS repealed; link between AFDC and Medicaid severed, replaced by TANF.		TANF implemented in all 50 states.

SOURCES: Summary of Division of Economic Support (DES), Welfare Waivers and Evaluations, 8/7/98, the Wisconsin Department of Revenue, and the Department of Workforce Development.

NOTES: EIC = Earned Income Credit; AFDC = Aid to Families with Dependent Children; FS = Food Stamps; W-2 = Wisconsin Works; JOBS = Job Opportunities and Basic Skills Training program; PRWORA = Personal Responsibility and Work Opportunity Reconciliation Act; TANF = Temporary Assistance for Needy Families.

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EIC expenditure by decreasing the state credit as a proportion of the federal credit. New Hope's earnings supplement "tops up" earnings plus any federal and state EICs. The amount of the supplement is structured to provide an incentive for increased earnings, up to a target annual income level of $30,000 or 200 percent of the poverty level, whichever was higher for a given family type.

All workers can apply for the federal and state EICs. Therefore, when they were enhanced, the relative importance of the New Hope supplement diminished for all participants. For example, in November 1994 one earner with two children (the modal family structure that enrolled in New Hope) and gross wages of $12,000 drew a combined federal and state EIC of $2,856 and a New Hope supplement of $816; in September 1997 the same family drew an EIC of $3,960 and no New Hope supplement. Because the EICs provide little supplementation to earners without children, the New Hope supplement was always relatively more valuable for this group. In November 1994 one earner without children and gross wages of $12,000 qualified for no EIC and a New Hope supplement of $1,428; in September 1997 the same earner still drew no EIC and a New Hope supplement of $1,548.

In summary, the changes in the EIC might reduce the effect of the New Hope supplement on total income and work effort, particularly for people with children. On the other hand, New Hope staff regularly informed program participants about the EICs. Thus, more program group members might file the tax returns necessary to receive them.

- **Welfare reform in Wisconsin included community service job (CSJ) slots for people on welfare.** One feature of welfare in Milwaukee — perhaps made more prevalent by Pay for Performance — was that welfare recipients could "earn" their welfare grant by working in a CSJ. However, unlike the New Hope CSJs, these positions did not allow people to earn wages or qualify for EICs. Rather, CSJ employment was a means to "work off" one's welfare grant. Further, New Hope's CSJs were available to all participants (not just those on welfare) and leveraged the federal and state EICs, New Hope's supplement, and New Hope's other benefits.

  Given the possible reduction in the importance of other elements in the New Hope package, the fact that New Hope's CSJs remained distinct from the others may increase their importance in shaping effects.

- **The State of Wisconsin expanded funding for child care in 1997 and decreased the barriers to securing such funding.** In design, New Hope's child care supplement was not markedly more advantageous than the other child care subsidies available to the working poor or to welfare recipients in Milwaukee. Qualifying for the New Hope child care supplement demanded that a participant had to be working 30 hours per week. In addition, New Hope subsidized only placements in state-licensed or county-certified centers, and the program monitored employment and the placements monthly. In contrast to

> these New Hope restrictions, prior to 1997 certain child care subsidies available outside New Hope allowed placement in all legal (but not necessarily licensed or certified) arrangements. In addition, other subsidies and subsidized programs (for example, Head Start, which is usually a half-day program) were available to support part-time work.
>
> But in practice New Hope's child care supplement presented two advantages between 1994 and August 1997. During that time, most of the child care subsidies outside New Hope came via one of four funding streams. They varied in their eligibility requirements, and persons needed to apply for the various supplements as their situation changed (they left AFDC for work or they reached a time limit for benefits related to the transition from AFDC). In addition, certain child care funding — particularly for working poor people who had not been on AFDC — was not available at a level that could meet the demand. The administrative complexities and limited funding meant that an appreciable number of persons eligible for child care supplements outside New Hope did not get them.
>
> Thus, prior to September 1997 New Hope's comparative advantage in supporting child care rested on its ability to provide what the public sector authorized but did not fund — a seamless set of subsidies funded at a level equal to the demand for them.
>
> In 1996, with the passage of federal welfare legislation, the various pre-1996 federal subsidies were combined into one Child Care Development Fund.[23] Wisconsin took this opportunity to make several changes regarding child care funding, and the net effect probably decreased New Hope's comparative advantage after the changes were implemented between January and September 1997. Wisconsin significantly supplemented the federal dollars with the expressed goal of making one seamless subsidy system available to all eligible families. It also increased the maximum reimbursement rates for placements in both centers and family day care homes. Given the limited funding available prior to 1997 for persons not on AFDC (or on transitional benefits), these changes undoubtedly increased the number of persons receiving a subsidy and the level of the subsidy. To stretch the child care funding and make it more like the "real world," in 1997 the state required a copay from all families receiving a subsidy. While this change shifted some costs to the eligible population, as a practical matter it is likely that few people lost benefits since funding was so limited prior to 1997.
>
> In sum, the changing landscape of child care subsidies suggests that the New Hope supplement might create greater use of regulated care, particularly prior to 1997.

As this section makes clear, viewed *individually* New Hope's benefits and services have features in common with other programs and public policies. If anything, in Wisconsin this is becoming more true over time. However, the changes do not affect all members of the sample equally, and the evaluation's first report underscores the point that viewed as a *package* New Hope's benefits and services are unusual. Whether or not it is enough to make a difference is the focus of this report.

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[23] Long et al., 1998.

IV. The Conceptual Model Guiding This Evaluation

New Hope's designers held a set of assumptions, reflected in the hypotheses listed earlier in the chapter, regarding how the program would change outcomes for individuals and families. Referred to as a "theory of change" in current evaluation literature, it is summarized in Figure 1.4 as a model that has guided the evaluation and the structure of this report.[24] The bottom of the figure denotes the groups used to explore each element of the model and the links among those elements. Such subgroup analyses are fundamental to understanding how various personal circumstances, such as one's employment status at enrollment, influenced New Hope's effects. The model comes from a variety of sources: the aforementioned analysis by David Riemer and others regarding the labor market; correlational data from studies showing that certain outcomes, such as family income and well-being, tend to rise and fall together; evaluations of previous efforts to supplement income; and the experiences of practitioners.

A. Elements in the Model

A brief discussion of each element in the model follows:

- **The New Hope Offer.** When the New Hope offer was designed, there was no definitive evidence that such an intervention would change the work effort of low-income people. What did exist was some experience with design issues that allowed the designers to calibrate the size of the benefits and their schedule for being phased in and out. Of particular importance were the results from a previous large experiment showing that workers might decrease their work effort if their earnings were supplemented.[25] This was one factor leading the designers to decide that participants would need to work full time to qualify for New Hope's benefits.
- **Service and Benefit Use.** The New Hope offer was designed to make supports for work available at a level over and above what would occur without New Hope. Many social welfare programs have narrowly defined targeting or eligibility criteria. They serve only welfare recipients, for example, or focus on people who fit into a certain demographic group or family type. The New Hope project took the position that people's economic and personal circumstances are often in flux. They move onto and off of public assistance and in and out of poverty as they lose a job (or find one), have young children (or children grow older), experience a marital breakup (or get married), or become ill (or recover from illness). New Hope provided a flexible support structure that was intended

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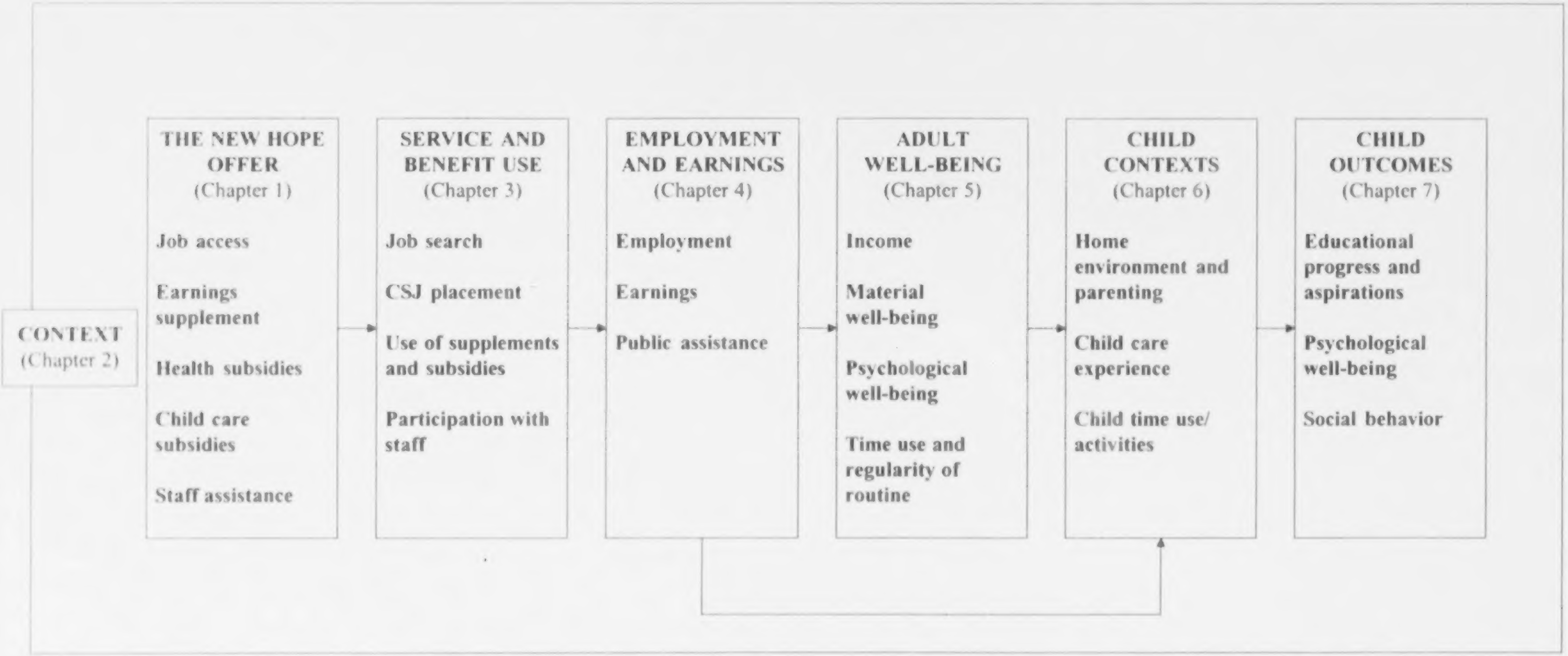
[24] Fulbright-Anderson et al., 1998; Kubisch et al., 1995.
[25] Munnell, 1986.

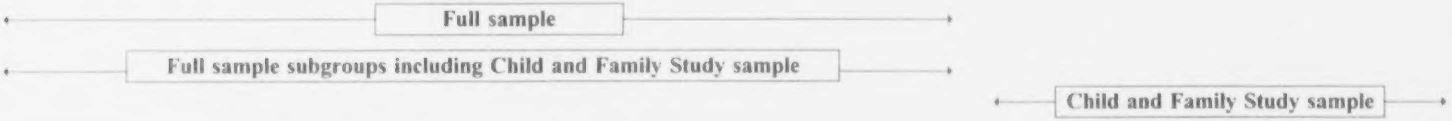
Figure 1.4

The New Hope Project

Conceptual Model Guiding the New Hope Evaluation


CONTEXT
(Chapter 2)
THE NEW HOPE OFFER
(Chapter 1)
Job access
Earnings supplement
Health subsidies
Child care subsidies
Staff assistance
SERVICE AND BENEFIT USE
(Chapter 3)
Job search
CSJ placement
Use of supplements and subsidies
Participation with staff
EMPLOYMENT AND EARNINGS
(Chapter 4)
Employment
Earnings
Public assistance
ADULT WELL-BEING
(Chapter 5)
Income
Material well-being
Psychological well-being
Time use and regularity of routine
CHILD CONTEXTS
(Chapter 6)
Home environment and parenting
Child care experience
Child time use/ activities
CHILD OUTCOMES
(Chapter 7)
Educational progress and aspirations
Psychological well-being
Social behavior

Samples used at each of the above stages of the evaluation:


Full sample
Full sample subgroups including Child and Family Study sample
Child and Family Study sample

to help people become and stay employed, even as their personal situation changes.

- **Employment and Earnings.** With the increased use of New Hope's supports, work, earnings, and income were meant to rise and public assistance was intended to fall. When the program was designed, the assumption that service and benefit use would lead to improved economic outcomes was more a product of insightful analysis than prior empirical findings. However, other incentive-based interventions meant to encourage work are being tested concurrently with New Hope, and the emerging news is encouraging. The Canadian government is testing a generous earnings supplement for long-term public assistance recipients, and the State of Minnesota's welfare reform program contains significant economic incentives for work. Early findings from both evaluations indicate that the programs are raising employment, earnings, and incomes.[26]

- **Adult Well-Being.** Increased employment, while perhaps stressful during some period of transition, was thought to improve adult well-being. Some of this improvement would occur because employment is socially desirable and unemployment and welfare are stigmatized. In addition, well-being would increase because of more income and less poverty.[27]

- **Child Contexts.** Changes in economic outcomes and adult well-being were likely to affect home environments and how parents and children spend their time apart from each other and together. For example, increased employment might decrease the time parents spend with children, and increased income might cause the parents to move to better housing or to purchase items such as books that support children's development. Also, changes might occur in the number or nature of the interactions between parents and children.[28] Finally, employment, income, and the distinctiveness of the New Hope child care subsidy might all affect the nature and number of child care experiences.

- **Child Outcomes.** Finally, New Hope's designers recognized that what happens to parents affects their children and vice versa. At least two paths might lead to changes in child outcomes in the long term: participation in child care and the changes in home life. The analysis presumed that any changes at 24 months would be less dramatic than those which might occur over a longer period of time.[29]

B. Samples Used to Assess New Hope's Effects

Most analyses of impacts on service use, economic outcomes, and adult well-being in this report begin with the data that are available on the full New Hope sample: all 1,357 persons in the program and control groups. These full sample analyses are the best estimate of New Hope's overall effects. However, the full sample analyses may also mask the fact that New Hope helps some participants and families more than others. Such information may be important even if it would not lead to "targeting" similar interventions in the future; policymakers and the public may find it important to understand the distribution of effects, where some groups are being helped more than others.

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[26] Miller et al., 1997; Lin et al., 1998.

[27] Duncan et al., 1994.

[28] McLoyd et al., 1994; Conger et al., 1992; Garrett et al., 1994.

[29] Posner and Vandell, 1994; Caughy et al., 1994; Dodge et al., 1994; Duncan et al., 1994.

Because New Hope may have different effects for different groups within the sample, certain effects are analyzed for "subgroups" of the sample; data gathered prior to enrollment were used to create the groupings. Most of the subgroup analyses are done by comparing subgroup members in the program group with their control group counterparts. Persons who were or were not working full time at enrollment constitute one subgroup. Because New Hope's designers are interested in understanding how New Hope affects family dynamics and children, the 745 members of the Child and Family Study (CFS) constitute another subgroup separated for analysis. Since most of the data on family functioning and child outcomes were collected only within this subgroup, it is the only sample used to assess effects in those areas.

V. The Organization of This Report

This report follows the model depicted in Figure 1.4. Chapter 2 describes New Hope's context, dividing that discussion into analyses of the environment surrounding the program and the program's operations. Chapter 3 presents the background characteristics of the research sample and discusses how those characteristics vary across subgroups used in subsequent analyses. The chapter also compares the program and control groups' use of benefits and services. Chapter 4 presents the program's effects on certain economic measures such as employment, earnings, and public assistance. This chapter and the remaining chapters also include various descriptive and nonexperimental analyses intended to help explain the effects — or lack of them. Chapter 5 documents New Hope's impacts on income and measures of adult well-being such as stress and indices of material hardship. Chapter 6 tells how New Hope shaped family life in the CFS subgroup of families with children. Chapter 7 presents data on how New Hope affected child outcomes, including data from the teachers of children who were old enough to be in school. Finally, Chapter 8 provides an early comparison of New Hope's benefits and costs. Because this analysis is based on two years of follow-up while the program was still operating, readers should view this analysis as preliminary. Various technical appendices follow the last chapter. A nontechnical exception is Appendix M, which provides an "epilogue" to this document. It describes how the program worked with participants as they went through the last year of New Hope eligibility (25 to 36 months after enrollment). This appendix focuses on the program and contains no information on the concurrent experiences of members of the control group. It does not describe the program's effects beyond 24 months. At this point, funding has been secured to continue to follow the CFS sample to 60 months after enrollment. Thus, in several years a long-term follow-up of New Hope's effects will be available for that group.

Chapter 2

Program Environment and Operations

This chapter describes the context in which New Hope operated and the ways in which benefits and services were delivered. As outlined in Chapter 1, the program was located in Milwaukee, Wisconsin. It offered a package of benefits and services intended to accomplish several goals: provide employment opportunities to those who needed work, reduce poverty among low-wage workers who worked full time, provide financial incentives for people to work more hours, and "make work pay" better than welfare. Translating these goals into an operating program, however, was neither obvious nor automatic. New Hope had to assemble the necessary resources and develop mechanisms to deliver benefits and services to people who qualified. Equally important, as a voluntary program it had to establish relationships with its participants such that they would take advantage of its offer.

The chapter begins with a synopsis of key findings. It then examines New Hope's environment, including the characteristics of the population living in its target areas, the trends in the labor market, and the welfare and social services available. Both program and control group members were recruited from and generally lived their lives in this setting, so the conditions and opportunities available to them shaped their life choices and experiences. The remainder of the chapter focuses on the operations of New Hope, a resource available only to members of the program group. It describes how participants accessed benefits and services, what procedures staff followed, how staff and participants interacted, and what significant issues and challenges emerged over the course of program implementation. Together, sections II and III lay a foundation for interpreting the characteristics of the New Hope sample and the use of benefits and services by program group members (discussed in Chapter 3) and the impacts of the program (covered in Chapters 4 through 7).

The period of time covered by this chapter corresponds to that of the impact analysis: August 1994 (when random assignment began) through December 1997 (the end of the two-year follow-up for the last people who entered the sample). The chapter draws from a variety of data sources, including interviews and observations conducted at New Hope's offices and in the community; program documents; a general household survey conducted in the areas served by New Hope; labor market statistics collected by the University of Wisconsin–Milwaukee and the U.S. Bureau of Labor Statistics; and the two-year follow-up survey of sample members.[1]

I. Key Findings

- New Hope served residents of two ethnically diverse, low-income target areas in Milwaukee's central city. Although poor, a majority of adults living in the target areas worked.

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[1] The chapter relies heavily on the analyses presented in a previous report, *Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare* (Brock et al., 1997). Readers interested in learning more about (continued)

- New Hope operated during a period of rapid job growth and declining unemployment. In general, job opportunities were more plentiful in Milwaukee's suburbs than in the central city areas targeted by New Hope.

- Many public assistance programs and social services besides New Hope were available to target area residents. However, only New Hope offered a *package* of benefits and services that made it possible for people to find a job, stay employed, and raise their income above poverty level. New Hope also served a broader array of people than most other programs.

- New Hope succeeded in implementing the program and delivering benefits and services to those who qualified. Most participants spoke positively about the help they received from the program and contrasted it favorably with welfare programs.

- The help that participants received from New Hope differed depending on their employment status. Those who were employed full time had access to the program's financial benefits: the earnings supplement, health insurance, and child care assistance. Those who were not employed full time received job search assistance and, if unable to find work in the regular labor market, a community service job that paid minimum wage. Once participants started working full time, they also qualified for the financial benefits.

- New Hope staff worked closely with participants. They helped them look for jobs, think through solutions to personal problems, and make maximum use of program benefits and services. Many participants said that the help they received from staff was more valuable to them than the financial benefits that New Hope provided.

- The major implementation challenge that New Hope faced was getting participants to understand completely how the program worked and to use the benefits and services to their fullest advantage. Participation rates were consistently lower than program staff expected.

II. The Program Environment

Because New Hope was funded to serve only a limited number of people, its founders believed that program resources should be concentrated within some of Milwaukee's lowest-income neighborhoods. They selected two target areas located on the north and south sides of U.S. Highway 94 and the Menomenee River Valley, an industrial and transportation corridor that cuts through the middle of the city (see Figure 2.1). The target area boundaries were defined by

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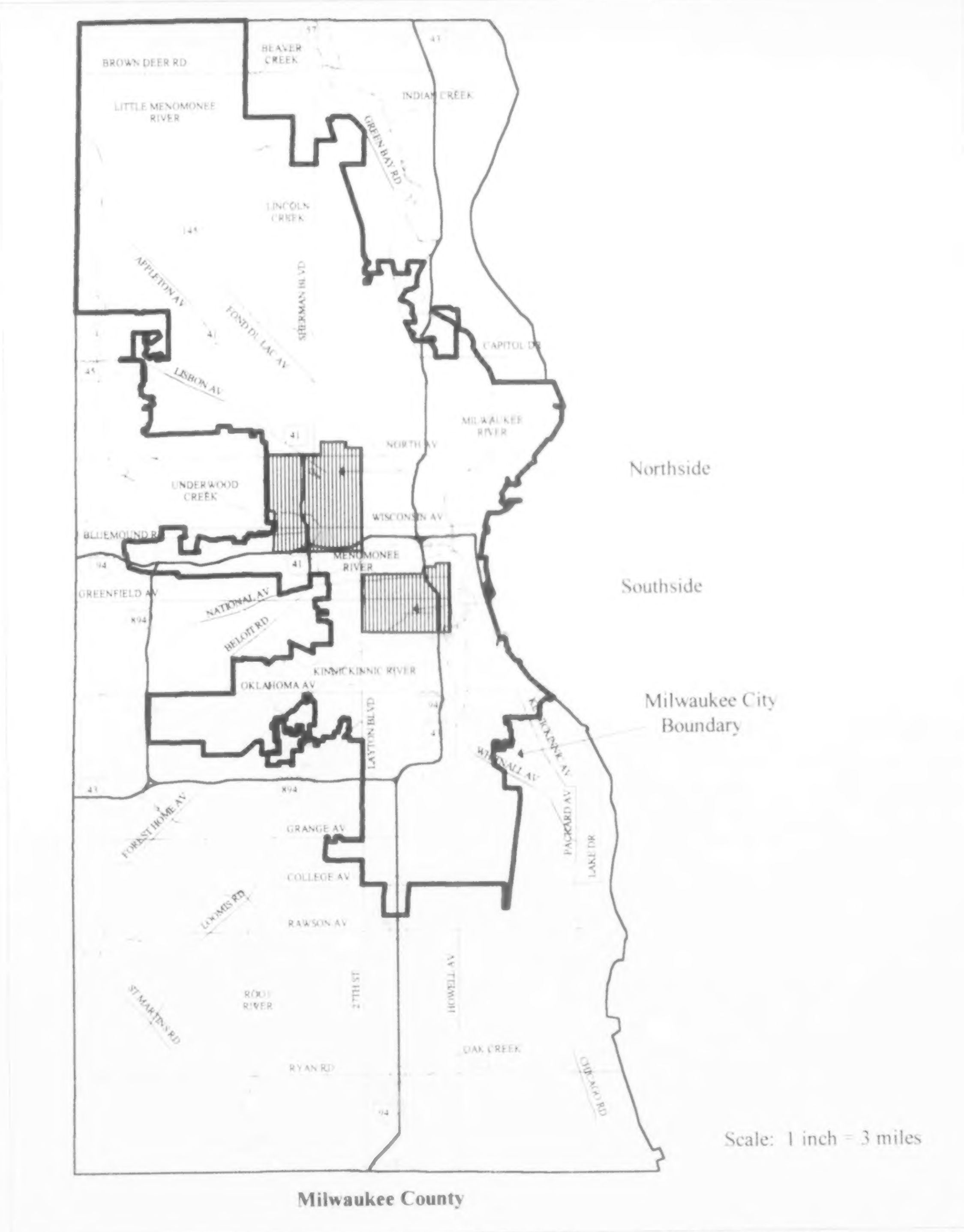
the program environment and operations may wish to consult this document.

Figure 2.1

The New Hope Project

The New Hope Target Areas


BROWN DEER RD
BEAVER CREEK
57
43
INDIAN CREEK
LITTLE MENOMONEE RIVER
GREEN BAY RD
LINCOLN CREEK
145
APPLETON AV
SHERMAN BLVD
FOND DU LAC AV
41
CAPITOL DR
45
LISBON AV
MILWAUKEE RIVER
NORTH AV
Northside
UNDERWOOD CREEK
WISCONSIN AV
BLUEMOUND RD
94
MENOMONEE RIVER
Southside
GREENFIELD AV
NATIONAL AV
894
BELOIT RD
KINNICKINNIC RIVER
OKLAHOMA AV
LAYTON BLVD
Milwaukee City Boundary
KINNICKINNIC AV
BAY ST
PACKARD AV
LAKE DR
FOREST HOME AV
GRANGE AV
COLLEGE AV
LOOMIS RD
RAWSON AV
ST MARTINS RD
ROOT RIVER
27TH ST
HOWELL AV
OAK CREEK
CHICAGO RD
RYAN RD
Scale: 1 inch = 3 miles
Milwaukee County

SOURCES: New Hope Project and 1990 and 1992 U.S. Census Bureau TIGER (Topologically Integrated Geographic Encoding and Referencing) files.

postal zip codes; each contained approximately 40,000 residents.[2] According to census data, the target areas contained high rates of poverty — exceeding 40 percent in some census tracts (see Figure 2.2). The selection of target areas also ensured that New Hope would be able to serve an ethnically diverse population, since many African-Americans lived to the north and Hispanics to the south of the highway. The following sections describe the residents of the target areas and the employment opportunities, welfare programs, and social services that were available to them.

A. The Needs and Characteristics of Target Area Residents[3]

To get an in-depth look at the needs and characteristics of people living in the two target areas, New Hope commissioned a general household survey that had two objectives: to capture demographic, employment, and income information on target area residents, and to estimate the demand for the New Hope benefits and services if the program were made available to all who qualified.[4] Researchers from the University of Wisconsin–Milwaukee identified a random sample of dwelling units in the two zip codes, from which they interviewed a randomly selected adult within each dwelling unit. They conducted the survey in January 1996, at the conclusion of program recruitment, and completed 719 interviews.[5]

Table 2.1 summarizes the characteristics of target area residents between ages 18 and 65 — the group normally considered to be of "working age" and for whom New Hope was designed.[6] The survey confirmed the racial and ethnic diversity of the target area population. As expected, African-Americans were in the majority on the Northside and Hispanics were in the majority on the Southside. About 30 percent of the respondents in each target area were white, and a small percentage were Asian or Native American. The survey also revealed that a slight majority of working-age adults in the target areas were female (53.5 percent) and between ages 18 and 34 (52.8 percent). Roughly the same percentage were never married (42.9 percent) or married and living with a spouse or partner (38.3 percent). About half reported that they were living with dependent children; of these households, most had one or two children. About 60 percent of respondents said that they had a high school diploma, GED, or some formal education beyond high school; 40.8 percent said that they did not.

Consistent with the census data displayed in Figure 2.2, the survey showed that 54.8 percent of respondents between ages 18 and 65 had a household income at or below 150 percent of the federally defined poverty level — the financial eligibility standard for New Hope. Thirty-seven percent were judged likely to participate in New Hope, taking into consideration household income, employability, and expressed interest in the types of benefits offered by the program.

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[2] When New Hope began enrolling participants in August 1994, it defined the target areas by census tracts located within the two zip codes. The census tracts proved to be difficult to explain and hampered the recruitment process. New Hope's board decided to expand the target areas to the full zip codes in April 1995; these areas remained in effect for the duration of the project.

[3] This section is summarized from Brock et al., 1997, ch. 4.

[4] When the survey was first conceived, New Hope's board and staff also hoped it might be used to identify the research sample. The idea was to administer the survey to all target area residents, determine their eligibility for New Hope, provide eligible households the opportunity to apply to the program, and determine the take-up of the offer. Logistic complications, combined with resource and time constraints, made this infeasible.

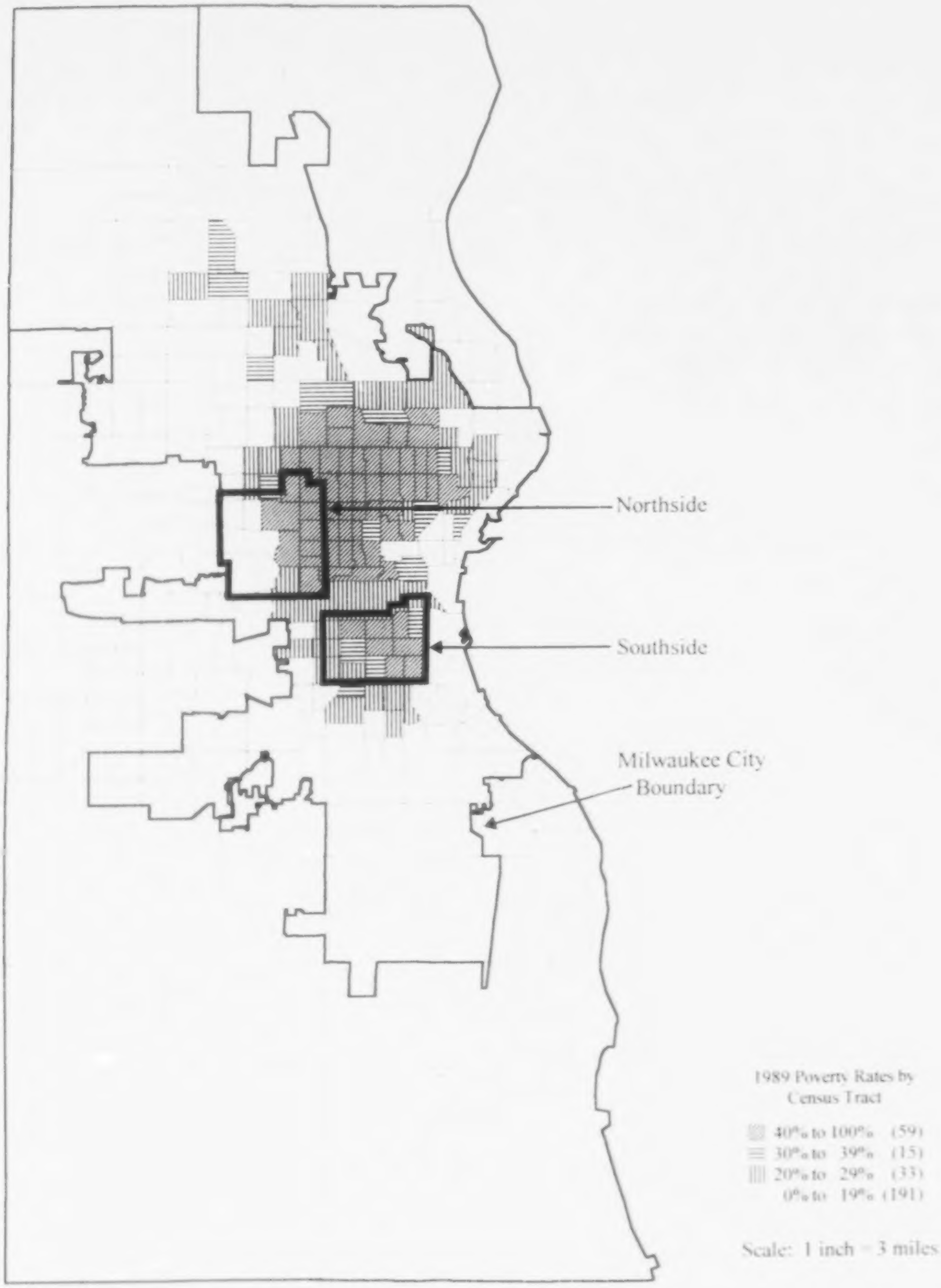
[5] For a complete discussion of the household survey methodology, see Brock et al., 1997, app. D.

[6] Adults aged 65 or over were interviewed, but since they would not be expected to be employed, their characteristics are not shown.

Figure 2.2

The New Hope Project

New Hope in Context: The Geography of Poverty in Milwaukee, 1989


Northside
Southside
Milwaukee City Boundary
1989 Poverty Rates by Census Tract
▨ 40% to 100% (59)
☰ 30% to 39% (15)
||| 20% to 29% (33)
0% to 19% (191)
Scale: 1 inch = 3 miles

Milwaukee County

SOURCES: New Hope Project and 1990 and 1992 U.S. Census Bureau TIGER (Topologically Integrated Geographic Encoding and Referencing) files.

Table 2.1

The New Hope Project

Selected Characteristics of Target Area Residents Between Ages 18 and 65

Characteristic	Target Areas		
	Northside	Southside	Total
Race/ethnicity (%)			
African-American, non-Hispanic	62.4	5.8	35.0
White, non-Hispanic	30.0	30.8	30.4
Hispanic	3.3	55.9	28.8
Other[a]	4.2	7.5	5.8
Gender (%)			
Female	56.5	50.3	53.5
Male	43.5	49.7	46.5
Age (%)			
18-24	32.4	19.7	26.3
25-34	20.4	32.9	26.5
35-44	26.3	21.1	23.8
45-54	16.0	14.4	15.2
55-64	4.9	11.8	8.3
Marital status (%)			
Never married	52.2	33.0	42.9
Married and living with spouse	27.4	49.9	38.3
Married and living apart, legally separated, divorced, widowed	20.4	16.9	18.7
Respondents with children[b] (%)	42.3	56.9	49.4
Respondents living with children[c] (%)			
Number of children:			
1	31.1	37.1	34.4
2	32.4	21.6	26.4
3	15.0	22.5	19.2
4	11.9	7.3	9.4
5 or more	9.6	11.5	10.6
Highest diploma/degree earned (%)			
GED	4.9	6.3	5.6
High school diploma	38.0	38.3	38.2
Technical/A.A./2-year college degree	8.1	6.6	7.4
4-year college degree or higher	11.3	4.1	7.8
None of the above/other	37.5	44.4	40.8
Employment status (%)			
Employed	54.9	59.8	57.3
Not employed, but looked for job in preceding month[d]	26.8	11.0	19.2
Not employed, did not look for job in preceding month	12.3	23.2	17.6
Not employed, did not look for job in preceding month but currently available for work	5.9	6.1	6.0

(continued)

Table 2.1 (continued)

Characteristic	Target Areas		
	Northside	Southside	Total
Report of public assistance (%)			
Food Stamps	19.2	20.1	19.6
AFDC	15.9	17.1	16.5
Medicaid	18.5	24.0	21.1
Eligibility for New Hope (%)			
Financially eligible[e]	56.4	53.1	54.8
Financially eligible and likely to participate, given the opportunity[f]	43.1	28.9	36.7
Sample size (unweighted)	*346*	*299*	*645*

SOURCE: New Hope Neighborhood Survey.

NOTES: All numbers except sample size are weighted by gender and number of adults. For a full explanation of the survey methodology see Brock et al., 1997, app. D.

Distributions may not add to 100.0 percent because of rounding.

[a] Includes Asians and Native Americans.

[b] Includes dependent children under age 19.

[c] Includes dependent children under age 19.

[d] Includes individuals who looked for part-time and full-time employment.

[e] At the time of the survey, these individuals were receiving AFDC or were already participating in New Hope and/or had household income that fell below New Hope eligibility standards given their household size. A household was defined as all dependent children and spouse.

[f] At the time of the survey, these individuals met the financial eligibility criteria *and* were not in school, were available for full-time work or were currently working, and were interested "a great deal" in New Hope or thought their spouse would be. Note that these numbers were also weighted by number of couples.

Although incomes were low, 57.3 percent of the adults were working. An additional 19.2 percent were looking for work. About 20 percent of respondents received Food Stamps, AFDC, or Medicaid.

In order to find out more about the employment circumstances of adults living in the target areas, the survey asked employed respondents about the number of hours worked, wages, and benefits received. These results for sample members between ages 18 and 65 are shown in Table 2.2. Close to half of those who were employed worked an average of 40 hours a week; 29.4 percent worked more hours. Part-time work was relatively uncommon. Wages tended to be low; 60.3 percent earned less than $10 an hour. The median hourly wage was $8.50. About 25 percent of full-time workers and about 60 percent of part-time workers did not receive health insurance. Rarely did full- or part-time workers receive help with child care from their job.

In summary, the household survey brought into relief the human topography of the neighborhoods targeted by New Hope. It confirmed that many residents experienced the conditions that New Hope was created to address: poverty, unemployment, jobs with few or no benefits, and reliance on public assistance. Had the program been funded to serve everyone who was financially eligible and interested in the benefits and services it offered, the survey revealed that over 12,000 adults would enroll, or about one out of four adults living in the two zip codes. Just as important, the survey showed that *not* everyone in the target areas was desperate or needy. Almost three times as many adults between ages 18 and 65 were working as were on welfare. A sizable percentage were married and living with a spouse or partner. These facts run counter to the bleak image presented in some accounts of high-poverty neighborhoods like those targeted by New Hope.[7] Rather, they underscore the variety of experiences, needs, and resources of people within these inner-city neighborhoods.

B. The Labor Market[8]

Milwaukee has long been known as an industrial center — a city of factories and workers. The breweries and other large manufacturing facilities (for example, Rockwell Automation, Master Lock, Harley Davidson) that occupy large tracts of land in the city, together with the transportation arteries and facilities that converge near downtown, reinforce this impression. In recent decades, however, the city and the region have undergone profound changes in the population base and labor market that are not always visible on the surface. For example, the four-county area that surrounds the City of Milwaukee has grown, while the number of people living in the city has declined (from 740,000 in 1960 to 628,000 in 1990).[9] This trend has been accompanied by a shift in many employment opportunities from the city to the outlying suburbs.

The *nature* of employment in Milwaukee has also changed. Although the region still has a proportionately greater share of manufacturing jobs than the rest of the nation, that share declined from 40.4 percent of the occupational structure in 1970 to 30.0 percent in 1990. Manufacturing jobs have been replaced primarily by sales, clerical, and service jobs. For the region's workforce, this trend has significant consequences. Unlike manufacturing jobs — which tended

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[7] See, for example, Jargowsky, 1997; Wilson, 1987.

[8] Unless otherwise noted, this section is summarized from Brock et al., 1997, ch. 3.

[9] Population figures are from the U.S. Census Bureau. The four-county area (which defines the Milwaukee Primary Metropolitan Statistical Area) includes Milwaukee, Washington, Ozaukee, and Waukesha counties.

Table 2.2

The New Hope Project

Job Characteristics of Employed Target Area Residents Between Ages 18 and 65

Job Characteristic	Total
Hours worked (%)	
(median = 40)	
29 or less	11.8
30-39	11.0
40	47.9
41 or more	29.4
Hourly wage (%)	
(median = $8.50)	
$4.24 or less	5.3
$4.25 - 5.99	17.8
$6.00 - 9.99	37.2
$10.00 - 14.99	19.9
$15.00 - 19.99	7.4
$20.00 or more	5.2
Access to health insurance and child care assistance (%)	
Part-time workers (29 hours or less)	
Job provides health insurance	35.8
Job provides child care, if needed	2.9
Full-time workers (30 hours or more) (%)	
Job provides health insurance	72.7
Job provides child care, if needed	8.1
Sample size (unweighted)	*376*

SOURCE: New Hope Neighborhood Survey.

NOTES: All numbers except sample size are weighted by gender and number of adults. For a full explanation of the survey methodology see Brock et al., 1997 app. D.

Distributions may not add to 100.0 because of rounding.

to offer good pay and benefits to workers, including those who did not have high levels of formal education — service sector jobs generally provide lower pay and fewer benefits. There is evidence that lower-wage jobs have replaced higher-wage jobs in Milwaukee; between 1979 and 1994, for example, the city lost 44,000 jobs that paid over $25,000 annually (in 1994 dollars), while gaining about 30,000 that paid less than this amount.

Counterbalancing these trends is the good news — for workers and the regional economy — of growing numbers of jobs and declining unemployment. As shown in Table 2.3, the number of jobs in the Milwaukee Primary Metropolitan Statistical Area (PMSA) grew 8.2 percent between 1992 and 1997. The table also shows a decline in unemployment for the PMSA from 4.8 percent in 1992 to 3.6 percent in 1997. The City of Milwaukee also experienced job growth and declining unemployment during this period, although its figures are not as favorable as the PMSA figures. Employment growth, for instance, was only 2 percent for the city between 1992 and 1997. Similarly, city unemployment rates were consistently 1.4 to 2 percentage points higher than PMSA rates.[10] These data suggest that employment opportunities were greater in the suburbs than in the central city — a conclusion that is reinforced by figures on job openings. In October 1995, for example, the City of Milwaukee had nearly 4,800 full-time job openings, Milwaukee County suburbs had approximately 6,100, and the three neighboring counties had nearly 8,100.[11]

For residents of New Hope's target areas, the employment figures suggest that work was available for people who wanted it, especially if they could get out to the suburbs. New Hope staff and other social service professionals generally confirmed this view, but emphasized that transportation posed a significant challenge to people without a car. A 1994 survey of Milwaukee's inner-city residents, which included New Hope's target areas, found that 64 percent of the unemployed job seekers did not have access to an automobile. (In the New Hope sample, this figure was 59 percent.)[12] From New Hope's target areas, most jobs within Milwaukee County could be reached in an hour or less (not counting walking time) by public buses, but the towns and cities that had the largest number of job openings in the three neighboring counties tended either to be inaccessible by bus or to require commutes of two hours or more each way. People with automobiles, by contrast, could reach industrial or business centers in almost any part of the four-county region in less than 50 minutes.

Assuming that target area residents could get to an employer, the next question is whether they could qualify for a job. An employer survey conducted by the University of Wisconsin–Milwaukee in October 1995 revealed that the majority of open jobs in the Milwaukee area were available only to persons with some type of credential: a college or community college degree, occupation-specific experience, or an occupational certificate. Still, nearly 20 percent of the open positions did not require any type of credential, and another 14 percent required only a high school diploma. The largest numbers of job openings that had no credential requirements were found in the Milwaukee County suburbs and the three neighboring counties, underscoring the importance of job location and transportation access in determining how less-skilled workers fared in the regional labor market.

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[10] Calculated from data supplied by the U.S. Bureau of Labor Statistics.

[11] Data from the University of Wisconsin–Milwaukee, Employment and Training Institute. See Brock et al., 1997, p. 39.

[12] This included employed and unemployed people at the time of program entry. See Brock et al., 1997, pp. 44 and 108.

Table 2.3

The New Hope Project

Employment Growth and Unemployment Rate for the Milwaukee PMSA and the City of Milwaukee: 1992-1997

Characteristic	Area	Total
Employment growth[a] (%)		
1992-1997	Milwaukee PMSA	8.2
	City of Milwaukee	2.0
Unemployment rate (%)		
1992	Milwaukee PMSA	4.8
	City of Milwaukee	6.2
1993	Milwaukee PMSA	4.4
	City of Milwaukee	6.4
1994	Milwaukee PMSA	4.6
	City of Milwaukee	6.5
1995	Milwaukee PMSA	3.5
	City of Milwaukee	5.1
1996	Milwaukee PMSA	3.4
	City of Milwaukee	5.3
1997	Milwaukee PMSA	3.6
	City of Milwaukee	5.6

SOURCE: U.S. Bureau of Labor Statistics.

NOTES: The Milwaukee Primary Metropolitan Statistical Area (PMSA) comprises Milwaukee County and the three WOW counties (Washington, Ozaukee, and Waukesha).

[a] Employment growth figures were calculated using data from the U.S. Department of Labor, Bureau of Labor Statistics.

C. Welfare and Social Services

In Milwaukee County, as in most other parts of the country, the primary provider of public assistance to low-income people is the local government. The Milwaukee County Department of Human Services (DHS) administers the federal, state, and local programs that offer cash assistance, vouchers for food and home heating, medical assistance, and child care assistance to people in need. In addition, the Milwaukee Department of City Development (DCD) provides housing assistance to low-income residents. Table 2.4 provides a listing and brief summary of the major public assistance programs offered by DHS and DCD between 1994 and 1997.

Although many programs were available, the *system* of public assistance had little coherence. This is not a reflection of poor implementation in Milwaukee, but rather the complex eligibility rules — mostly stemming from the federal level — that govern every welfare and social service program. Some operated as entitlements, serving every eligible person who applied; others had strict ceilings on the number of people who could be served. Moreover, as outlined in Chapter 1, some programs ended or changed substantially during the study period. Wisconsin's General Assistance (GA) program, which provided cash grants to indigent adults who did not have dependent children and who did not qualify for disability programs, was terminated in September 1995. Aid to Families with Dependent Children (AFDC), a federal program offering cash grants to impoverished families (most often headed by a single parent), was replaced in 1996 by the Temporary Assistance for Needy Families (TANF) program. Wisconsin's version of TANF, Wisconsin Works (W-2), began implementation in September 1997.

At the start of the New Hope evaluation in 1994, GA and AFDC were the two principal cash assistance programs for able-bodied people, serving an average monthly caseload of 71,615 and 37,100 cases, respectively. In 1994 the average GA grant was $152 per month. AFDC grants varied based on family size; for a family of three, the monthly grant was $517. (Wisconsin's AFDC payment was high relative to the national average of $366 for a family of three in 1994.)[13] In addition to cash grants, most GA and AFDC recipients received Food Stamps, valued at an average of $69 per person each month.[14] Medicaid provided health insurance coverage for AFDC recipients and a small number of other low-income families. A program called the General Assistance Medical Program was started after GA ended to cover medical expenses of what was formerly the GA population.

W-2 was not a significant source of cash assistance or other services during the period of the New Hope evaluation. As noted above, implementation began in late 1997 and was not complete until March 1998. However, in preparation for W-2 the state and county introduced four policies to trim the AFDC rolls and place greater emphasis on work. One was a "diversion" program, which required applicants to conduct 60 hours of job search activities as a condition of getting AFDC. A second was a Pay for Performance plan, which reduced grants proportionately for every hour of mandated work or training that recipients missed. A third was a program of managerial incentives and penalties that measured caseload reductions in county welfare offices and threatened lagging offices with financial cuts. A fourth was to shift all cases headed by a caretaker relative (that is, an adult other than the parent) off AFDC and onto kinship care, administered by the Department of Health and Family Services. These policies, together with the

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[13] U.S. House of Representatives, Committee on Ways and Means, 1994.

[14] U.S. House of Representatives, Committee on Ways and Means, 1996.

Table 2.4

The New Hope Project

Major Public Assistance Programs Available to Milwaukee Residents: 1994-1997

Program Name	Description / Administering Agency	Financial and Categorical Eligibility	Grant Amount[a]	Remarks
Cash Assistance				
Aid to Families with Dependent Children (AFDC)[b]	Cash grants to low-income families with children; administered by DHS	Available to families with dependent children under age 18 and qualified students under age 19; gross income must be below 185% of state's need standard for the relevant family size; value of assets cannot exceed $1,000, excluding vehicle equity of $1,500 and home	Maximum monthly benefit for 3-person family (1 adult caretaker and 2 children) is $517	Ended in August 1997; replaced by Wisconsin Works (W-2), the state's Temporary Assistance for Needy Families (TANF) program in September 1997.
General Assistance (GA)	Cash grants to low-income individuals who do not qualify for AFDC or SSI; administered by DHS	Available to Milwaukee County residents whose total household income does not exceed the amount of the grant	Maximum monthly benefit for an individual is $205	Ended in September 1995
Supplemental Security Income (SSI)	Cash grants to low-income aged, blind, and disabled persons; administered by DHS	Individuals must be age 65 or over, blind, disabled, a U.S. citizen, permanent resident or immigrant lawfully admitted for permanent residence; income must be below federal maximum monthly SSI benefit and assets cannot exceed $2,000 or $3,000 for a couple	Maximum monthly benefit is $470 for an individual and $705 for a couple	PRWORA of 1996 tightened some eligibility rules
Emergency Assistance (EA)	Cash grants to households who face an emergency due to fire, flood, natural disaster, energy crisis, or homelessness; administered by DHS	Available to households with dependent children under age 21; grant can be issued once every 12 months (in the case of homelessness not due to domestic abuse, 36 months)	Maximum benefit is $150 per year for each household member	Federal program repealed by PRWORA of 1996; state implemented program as part of W-2 in1997

(continued)

Table 2.4 (continued)

Program Name	Description / Administering Agency	Financial and Categorical Eligibility	Grant Amount[a]	Remarks
Wisconsin Works (W-2)	Cash grants to low-income families with children, conditional on fulfilling work requirement and in some cases training requirements; administered by DHS	Available to families with dependent children under age 18; gross income cannot exceed 115% of the federal poverty level; resident of state (minimum 60 days); cannot have refused a job in the preceding 180 days; asset limit of $2,500, excluding vehicle of $10,000 and home; lifetime benefit limit is 60 months	Maximum monthly benefit is $673 for a family relying on community service job earnings and $622 for those in transitional activities	Began in September 1997
Vouchers or In-Kind Benefits				
Food Stamps (FS)	Food vouchers to low-income individuals and families; administered by DHS	Gross income cannot exceed 130% of federal poverty level (165% for elderly or disabled) and value of assets cannot exceed $2,000 ($3,000 for elderly or disabled); unless exempt, applicants must register for work-related activities	Maximum monthly benefit is $119 for 1 adult; and $313 for a 3-person family	Since September 1997, work and training requirements are similar to W-2.
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Food items, food vouchers, nutrition risk screening, and other related services; administered by DHS and private nonprofit organizations	Available to low-income, pregnant women; non-breast-feeding postpartum women for up to 6 months; breast-feeding women and their infants for up to 1 year, and low-income children up to age 5; gross income cannot exceed 185 % of federal poverty level; recipients must be nutritionally at risk	Average value of a WIC food package is $45.82	

(continued)

Table 2.4 (continued)

Program Name	Description / Administering Agency	Financial and Categorical Eligibility	Grant Amount[a]	Remarks
Subsidized Housing or Rental Assistance (Section 8)	Low-income housing units managed by the Housing Authority of the City of Milwaukee or rent certificates for privately owned housing; administered by DCD	Income limit is based on family size and median family income for the area; tenant must pay 30% of the rent	N/a	
Low Income Home Energy Assistance Program (LIHEAP)	Cash grants or vendor payments to pay home heating/cooling bills or low cost weatherization/home repair; administered by DHS	At state option, benefit can be limited to households with gross income below 150% of federal poverty level or 60% of state median income, whichever is greater, or those with one or more persons receiving SSI, AFDC, TANF, Food Stamps, or veteran's benefits; benefit limited to one time per heating season (10/1 - 5/15)	Maximum benefit is $300 per heating season per household (1 adult or more) is $300.	
Medical Assistance[c]				
Medicaid (AFDC-related)[d]	Payments to medical providers for health care services to AFDC recipients; administered by DHS	Available to AFDC eligible families and categorically and medically needy individuals; gross income cannot exceed 185% of federal poverty level; assets limited to $1,000 for categorically needy and $3,300 for medically needy	N/a; no copayment or premium required	As mandated by PRWORA, persons who meet the AFDC eligibility requirements in place on August 22, 1996 remain eligible for Medicaid

(continued)

Table 2.4 (continued)

Program Name	Description / Administering Agency	Financial and Categorical Eligibility	Grant Amount[a]	Remarks
Medicaid (Healthy Start)	Payments to medical providers for health care services to low-income pregnant women and children; administered by DHS	Available to pregnant women and children under age 6 with gross income below 185% of federal poverty level; for children age 6 or over and born after September 30, 1983, gross income cannot exceed 100% of federal poverty level	N/a; no copayment or premium required	
Transitional Medicaid	Payments to medical providers for health care services to AFDC recipients; administered by DHS.	Available to families who lose AFDC eligibility because of increased earnings; same coverage as when on AFDC for 12 months	N/a; no copayment or premium required	
General Assistance Medical Program (GAMP)[c]	Payments to provider for health care services to low-income individuals who are ineligible for other programs; administered by Milwaukee County Department of Administration, Division of Health Related Services	Elibility requirements are county residency and a maximum gross income $800 (single), $1,045 (couple) (increases with family size); recipients must also be ineligible for other programs and in need of health care services	N/a; copayment of $20 required for emergency room visits only	Program started after GA cash assistance ended in September 1995
WisconCare	Payments to medical providers for health services to low-income individuals administered by DHS	Eligibility based on unemployment or employment of less than 25 hours per week with income less than 150% of federal poverty level; recipients must also be ineligible for Medicaid and private health insurance	N/a; no copayment or premium required	

(continued)

Table 2.4 (continued)

Program Name	Description / Administering Agency	Financial and Categorical Eligibility	Grant Amount[a]	Remarks
Child Care Assistance				
AFDC Child Care	Payment to child care providers for child care services; administered by DHS	Available to AFDC recipients with children aged 12 or under who need child care in order to attend work or an approved education or training activity program assigned by the welfare department (or beginning September 1997 by the W-2 agency)	State benefit limit is $600 for children under age 2 and $500 for children age 2 or over	Ended in August 1997; replaced by W-2 child care assistance (Wisconsin Shares) in September 1997
Transitional Child Care	Income in form of a voucher paid to either the provider or family, and parents are required to make a copayment; administered by DHS	Available to families who received AFDC in at least 3 of 6 months immediately prior to becoming ineligible for AFDC, if child care is needed to accept or retain employment; benefit limited to 12 months after last month of AFDC receipt	State benefit limit is $600 for children under age 2 and $500 for children age 2 or over; copayments required	Ended in August 1997; replaced by W-2 child care assistance (Wisconsin Shares) in September 1997
Low-Income Child Care Program	Child care assistance to families who are atrisk of becoming eligible for welfare, in form of cash/voucher in advance, cash reimbursement, or purchase of service; administered by DHS	Available to families not receiving AFDC, who need child care in order to work and who are atrisk of becoming eligible for welfare if child care were not provided	State benefit limit is $600 for children under age 2 and $500 for children age 2 or over; copayments required	Ended in August 1997; replaced by W-2 child care assistance (Wisconsin Shares) in September 1997
Wisconsin Shares (W-2 child care program)	Assistance in form of voucher to family or provider, and family is required to make a copayment; administered by DHS	Available to low-income working families, parents under age 20 who are in school, and adults participating in a job search or training program whose income is at or below 165% of the poverty line and remain eligible until income exceeds 200 % of poverty line	Reimbursement payment is 75% of the local market rate for licensed and certified care providers and 50% for provisionally certified day care; copayments are determined by a sliding scale based on income, family size, number of children in care, and type of care provider (no parent pays more than 16% of gross income)	Program is funded through TANF; implementation began in September 1997

(continued)

Table 2.4 (continued)

SOURCES: Wisconsin Department of Workforce Development, 1998 Wisconsin Works Manual; 1996 and 1998 Green Books: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means; Milwaukee Department of City Development; Milwaukee County Department of Health and Family Services; Wisconsin Department of Revenue.

NOTES: PRWORA = Personal Responsibility and Work Opportunity Reconciliation Act of 1996. TANF = Temporary Assistance for Needy Families block grant; DHS = Milwaukee County Department of Human Services; DCD = Milwaukee Department of City Development.

N/a = not applicable.

[a] Monetary values are based on 1996 standards except for W-2 programs, which began in 1997.

[b] Two-parent households could be eligible for AFDC-UP (Unemployed Parent) if one of the parents was physically or mentally unable to provide parental support; or a parent who was the designated primary wage earner was unemployed; or working less than 100 hours a month. In addition, able-bodied persons whose youngest child was at least age 3 were required to enroll in the Job Opportunities and Basic Skills Training (JOBS) program, provided that state resources were available. Federal law also required AFDC applicants to assign their child support rights to the state and to cooperate with welfare officials in obtaining child support payments. Individuals eligible for AFDC were automatically eligible for medial assistance.

[c] Several other state programs also serve specific populations within the general population of low-income families. They include the Birth to Three program for children under age 3 with developmental delays or atypical development; the Children with Special Health Care Needs program for children with long-term chronic illnesses or disabling conditions; and the Newborn Screening/Congenital Disorder program for infants born with one of seven serious inherited diseases.

[d] Legal immigrants to the U.S. after August 22, 1996 are ineligible for Medicaid for 5 years, after which time coverage is a state option.

[e] Created when the state mandate that required counties to provide General Assistance (GA) was repealed in September 1995. Counties in Wisconsin now have the option of providing GAMP with money from a state block grant.

strong regional economy described above, led to a dramatic decline in Milwaukee's AFDC rolls, from an average of 35,155 monthly cases in 1995 (before the policies went into effect) to 22,877 monthly cases in 1997.[15] By the time the AFDC caseload was fully converted to the W-2 program, only about 10,700 families were left on the rolls.[16]

As Table 2.4 makes clear, a number of public assistance programs provided help other than cash assistance. For example, DCD operated 4,700 subsidized housing units — providing living quarters to some 13,000 low-income people — and offered rental assistance to an additional 4,800 low-income residents who leased apartments or homes on the private market. As large as these numbers were, many more people were eligible than received help. DCD staff reported waiting lists of two years for rental assistance, for example.[17] Another important program, administered by DHS, was the Low Income Home Energy Assistance Program (LIHEAP). This benefit was offered once per year during the heating season to help low-income households pay for heating or home weatherization. It was well advertised and widely used by low-income Milwaukee residents.

The remaining programs listed in Table 2.4 were much more limited in the number or type of people they could serve, either because they had a narrow target population or limited funding (or both). For example, the food vouchers and nutritional counseling available through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) were targeted to low-income, pregnant and postpartum women and infants. Transitional Medicaid and child care benefits were offered for a maximum of 12 months only to former AFDC recipients who left welfare for employment. Owing to funding constraints, the county's low-income child care program for non-AFDC families was extremely limited, serving only about 500 families in January 1996 and approximately 700 families in September 1997, when W-2 was implemented.[18]

In addition to public assistance programs, Milwaukee had a multitude of community resources — both public and private — that offered various kinds of help to low-income residents. Dozens of social service organizations offered everything from child care and Head Start to substance abuse counseling and emergency food and shelter. Numerous colleges and training programs helped people learn English, finish high school, acquire a job skill, or earn an advanced degree or certificate. Several neighborhood development organizations were dedicated to bringing jobs into the central city and developing decent, affordable housing for residents. Figure 2.3 shows the number and the location of these helping organizations throughout Milwaukee County. Many were clustered in or around the New Hope target areas, suggesting that access to services was not difficult for most central city residents.

Given the variety of public assistance programs and other social services available, one might question the need for New Hope. Broadly speaking, New Hope was not the only organization that offered the benefits advertised in its recruitment brochures: help in getting work, health care, child care, or extra money.[19] The uniqueness of New Hope, however, was in how it *packaged* these benefits and services. Collectively, New Hope's benefits and services made it possi-

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[15] AFDC caseload figures provided by the Wisconsin Department of Workforce Development.

[16] Corbett, 1998.

[17] Information was provided by the DCD Web page and by DCD staff.

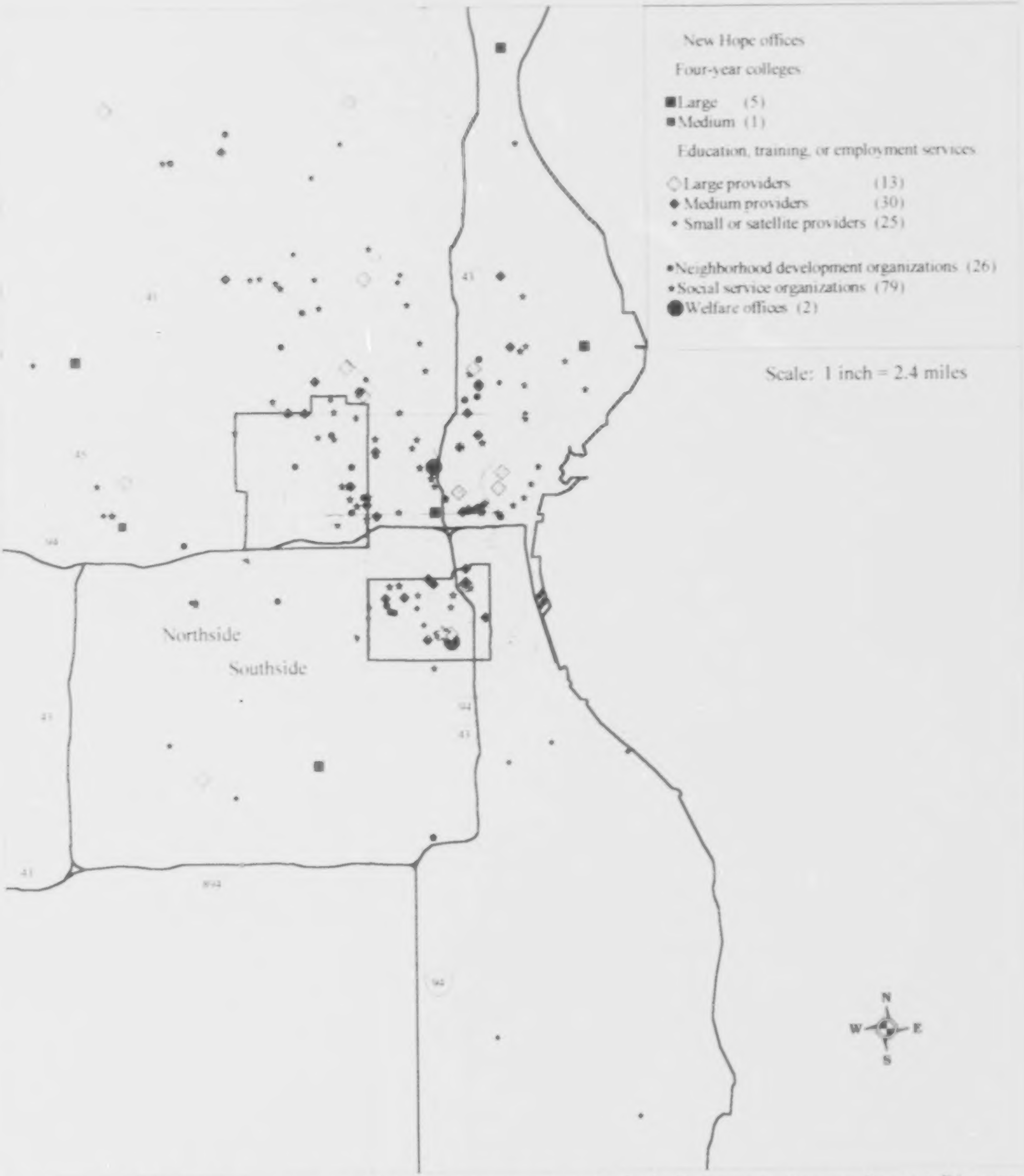
[18] Pawasarat and Quinn, 1998.

[19] Brock et al., 1997, p. 95.

Figure 2.3

The New Hope Project

Location of Milwaukee County Human Service Providers


New Hope offices
Four-year colleges
■Large (5)
■Medium (1)
Education, training, or employment services
◇Large providers (13)
◆ Medium providers (30)
• Small or satellite providers (25)
•Neighborhood development organizations (26)
•Social service organizations (79)
●Welfare offices (2)
Scale: 1 inch = 2.4 miles
Northside
Southside
43
41
45
94
894
N
W
E
S

SOURCES: Helpline Information and Referral Directory, Lincoln Park Community Service Support Directory, 1995-1996, and the Milwaukee Public Library T.A.P. into Tutoring Guide, 1995.

NOTES: Large providers serve 1,000 or more clients, medium providers serve 100 to 999 clients, and small providers serve fewer than 100 clients.

Numbers in parentheses indicate number of providers in each category.

Entire county not shown. For complete map, see Figure 2.1.

ble for people to find a job, stay employed, and raise their income above the poverty line. Other public assistance and social service programs may have been committed to these goals in principle, but New Hope's benefits made them achievable by anyone willing to work full time. Its offer of a paid community service job was particularly important in assuring that anyone who wanted to work could do so. Likewise, the New Hope earnings supplement filled the gap between people's income (including the EIC) and the poverty line. These two benefits were not like anything else offered in Milwaukee or Wisconsin.

New Hope had other important features as well. Unlike the dizzying array of eligibility rules that characterized Milwaukee's public assistance programs, New Hope enrolled everyone who met one set of eligibility criteria: an adult resident (age 18 or older) of one of its target areas, household income at or below 150 percent of poverty level, and able and willing to work full time. This broad definition meant that New Hope could serve a diverse group of low-income people, including those who had jobs and those who did not; parents with children and childless couples or single adults; and people on welfare and people not on welfare. Finally, New Hope was small enough that it could offer a personalized, caring mode of service delivery that a large welfare bureaucracy generally could not. The following section describes in more detail what New Hope offered and how it operated.

III. Program Operations

One of the most important questions the New Hope evaluation had to address was also the most basic: Could the program be implemented? A constellation of evidence — including interviews with program staff and participants, observations at New Hope's offices and community service job sites, and documentation of benefit payments to participants — confirms that it *was* implemented. The program hired staff, developed operating systems and procedures, recruited participants, and delivered benefits and services to those who qualified. These were no small accomplishments; as detailed in the first evaluation report, they required many years of planning, fundraising, and plain hard work by New Hope board members, staff, and supporters.

This section focuses on how New Hope operated during the time covered by this evaluation (August 1994 through December 1997). New Hope's founders had a clear vision about how the program should help unemployed people and low-wage workers, which led to a distinct program ethos and set of operating guidelines.[20] The reactions and experiences of individual staff members and participants obviously varied, but — as described below — some common practices, behaviors, and attitudes emerged.

A. Participant Pathways

As depicted in Figure 2.4, the experiences of New Hope participants were determined largely by their employment status when they entered the program. If they were employed full time — which New Hope defined as 30 hours a week or more — the program provided access to financial benefits that would help them stay employed and improve their economic circumstances. Program staff would ask participants for documentation of hours worked and wages

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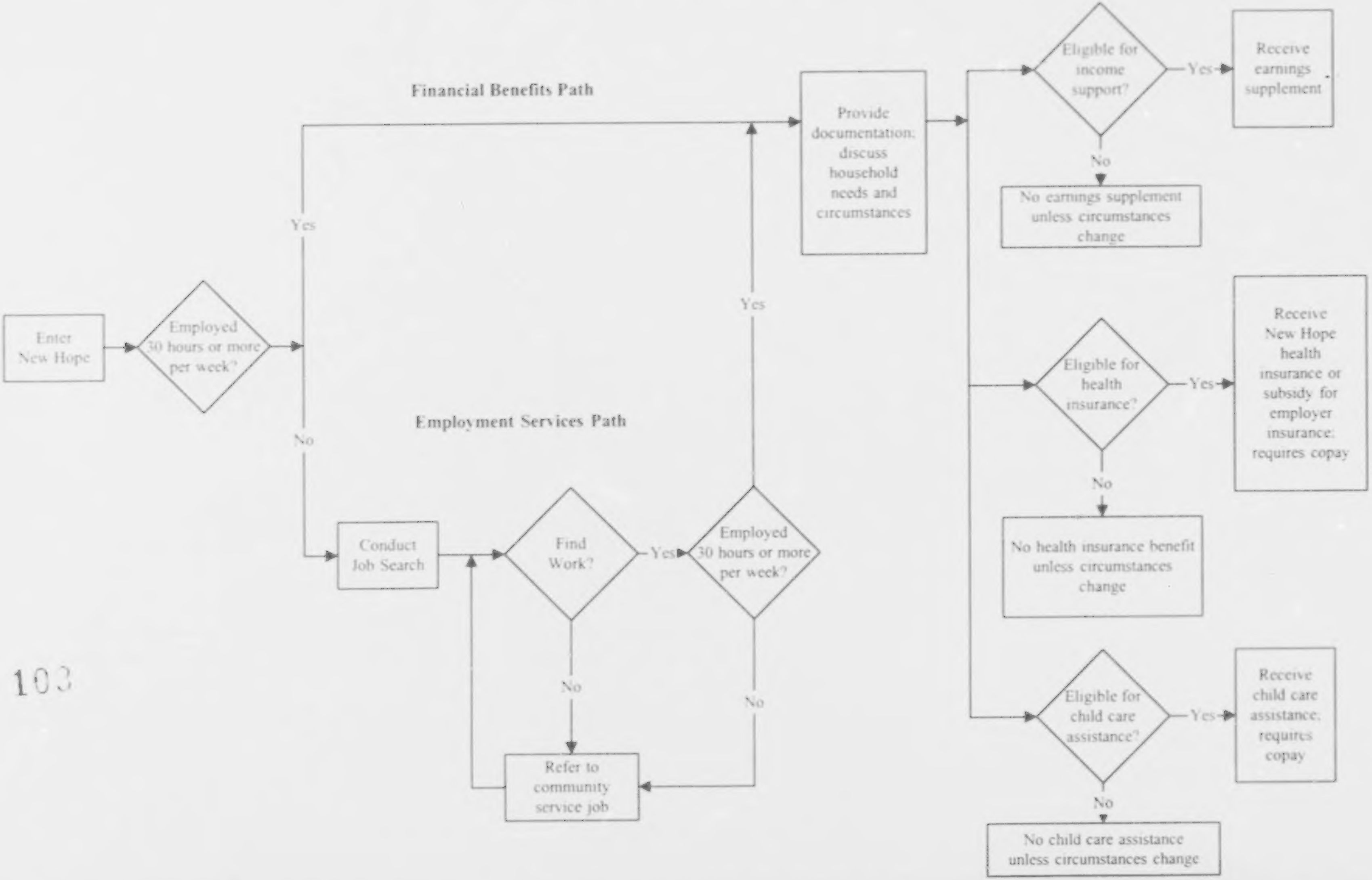
[20] It is common for programs that dispense financial benefits to develop routine procedures, since equitable treatment of clients is a key concern. See Hasenfeld, 1983.

Figure 2.4

The New Hope Project

Program Pathways of Entering Participants


Financial Benefits Path
Employment Services Path
Enter New Hope
Employed 30 hours or more per week?
Yes
No
Provide documentation; discuss household needs and circumstances
Conduct Job Search
Find Work?
Yes
No
Employed 30 hours or more per week?
Yes
No
Refer to community service job
Eligible for income support?
Yes
No
Receive earnings supplement
No earnings supplement unless circumstances change
Eligible for health insurance?
Yes
No
Receive New Hope health insurance or subsidy for employer insurance; requires copay
No health insurance benefit unless circumstances change
Eligible for child care assistance?
Yes
No
Receive child care assistance; requires copay
No child care assistance unless circumstances change

earned, interview them about health insurance coverage and child care arrangements, and find out about the number and ages of family members living in their household. This information allowed staff to determine participants' eligibility for earnings supplements, health insurance, and child care assistance.

If participants entered the program unemployed or employed part time, New Hope staff helped them to find employment. First, staff offered individualized job search assistance to help participants locate unsubsidized work. If this did not result in employment, staff referred participants to a paid community service job (CSJ) subsidized by the program. (Part-time CSJs were available to participants who worked less than 30 hours for another employer.) Although New Hope always had a ready supply of CSJs, the positions were not guaranteed; participants had to apply for them just as they would for an unsubsidized job. Once participants started working an average of at least 30 hours per week — whether in community service or in the regular labor market — they were eligible for all of New Hope's financial benefits.

Although Figure 2.4 depicts pathways for *entering* participants, the procedures were the same for people already enrolled in the program. An employed participant who lost his or her job would be expected to conduct a job search.[21] If the search was unsuccessful, he or she would be referred to a CSJ. Once a participant moved from a period of unemployment or part-time work to full-time employment, he or she became eligible for all of New Hope's financial benefits. *The key, at all times, was to work an average of 30 hours per week.* No one who worked less than 30 hours could receive financial benefits, but because of the CSJs, no one was denied this opportunity.[22]

It is important to note that each financial benefit was considered separately. For instance, participants who received health insurance from their employer might not need New Hope's coverage. Similarly, participants who relied on family members to provide child care might not want New Hope's child care assistance, and participants who had no young children obviously would not be eligible for child care assistance. New Hope's founders wanted the program to accommodate participants with a variety of needs and circumstance and therefore designed the benefits package to be flexible.

B. Operating Procedures[23]

Receipt of New Hope benefits and services was not automatic. Each month, program participants had to take steps to obtain the benefits and services they wanted and for which they qualified. Likewise, New Hope staff had to follow a set of procedures to make sure that participants received earnings supplements, health insurance, and child care assistance, and that they were referred to CSJs when needed. This section explains the rules and how they operated in practice.

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[21] Participants who had recently lost a job were expected to conduct a job search for three weeks before being referred to a CSJ. Participants who had been unemployed for a longer period were expected to conduct a job search for eight weeks before being referred to a CSJ.

[22] As discussed in the next section of this chapter, program participants could be employed in a New Hope CSJ for a maximum of 12 months.

[23] This section is summarized from Brock et al., 1997, ch. 8.

The earnings supplement. In order to receive an earnings supplement, New Hope participants had to present proof of their employment, earnings, and number of hours worked each month to a staff person (known as a project representative, or "rep") to whom they were assigned. The required documentation consisted of the wage stubs attached to participants' paychecks from their employer.[24] The project reps reviewed the wage stubs to make sure that participants worked an average of at least 30 hours a week during the previous month. Assuming that this condition was met, the project reps determined the earnings supplement amount that participants were eligible to receive. If participants needed New Hope's health insurance or child care assistance, the reps also determined the amount of these benefits at this time. Project reps initially used worksheets, and later an automated system, to calculate benefit payments.[25]

The earnings supplement was retrospective. Participants had to submit their wage stubs by the 5th of each month in order to receive an earnings supplement for the previous month's wages. If participants did not meet this deadline, they could still turn in their wage stubs and receive a check the following month. (Eventually, the program established a 90-day period during which old pay stubs would be accepted.) Project reps and accounting staff took about two weeks to process the earnings supplement and distributed checks to participants before the end of the month.

The earnings supplement that participants received from New Hope was not taxable and therefore did not have any of the federal or state deductions of a paycheck. However, if participants elected to use New Hope's health insurance, the amount of their contribution to this benefit (that is, their copay) was deducted from their earnings supplement. In addition, New Hope occasionally issued small loans to participants to help them with work-related expenses, such as automobile repairs or work clothes. Loan repayments were also deducted from the supplement check. New Hope developed a monthly benefits statement, which project reps attached to the earnings supplement check, to show what deductions were made and how the earnings supplement was calculated. The statement also showed participants the dollar value of *all* the benefits and services they received that month, and their *potential* income from all sources, including the federal and state EICs. The statement was designed in part to educate participants about the availability of the EIC and to encourage them to apply for an advance of the federal EIC from their employer.[26] Although New Hope tried to make the statement simple to understand, many participants still found it confusing and had to meet with their project rep for an explanation.[27]

Unlike many welfare programs, New Hope offered little incentive for participants to underreport employment income, since access to financial benefits was predicated on at least 30 hours of work per week, and the package was designed to reward increased work and income.[28] Nonetheless, it was possible that some participants might have a second job for which they did not present wage stubs or have a second wage earner in their household whose income they did not report. In order to guard against these possibilities, New Hope obtained and reviewed state unemployment insurance (UI) records for all participants and their spouses. These records provided a reliable check against unreported employment and income, since most employers are required to report the wages paid to employees to the state UI system.[29] Among active participants, instances in which there were large, unexplained gaps between reported and unreported income were rare. New Hope's policy was to terminate participants who failed to reveal all their income sources, but a few participants were given a second chance when there appeared to be misunderstandings about the rules.

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[24] For the small number of participants who were self-employed, New Hope required copies of self-employment logs, on which participants were asked to record their work hours and earnings. These participants also had to attach copies of bills or payments received from their customers. Legitimate business expenses could be deducted from income so long as they were documented and did not exceed participants' income for the month.

[25] For 1996 financial benefit tables, see Brock et al., 1997, app. G.

[26] The Internal Revenue Service permits 60 percent of the minimum EIC that is estimated for a worker at a given income level and household size to be prorated and advanced in the worker's paychecks.

[27] For an example of the monthly benefits statement, see Brock et al., 1997, p. 152.

[28] For a full explanation of the design of the financial benefits package and how it was calibrated to reward increased work and income, see Brock et al., 1997, app C.

Health insurance. New Hope offered health insurance plans through health maintenance organizations (HMOs). The HMO under contract with Milwaukee County to provide medical coverage for Medicaid recipients was the one selected by most New Hope participants. New Hope's plans were comprehensive, covering physician, chiropractic, and optometry services; in-patient and out-patient hospital services; mental health, alcohol, and drug abuse services; dental care; emergency care; and pharmaceutical needs. So long as participants obtained treatment from within their selected HMO group, they had to pay little of the treatment cost.

To qualify for health insurance, New Hope participants had to work an average of at least 30 hours per week and submit wage stub documentation, just as they did to receive earnings supplements. The project reps provided an overview of the plans offered and explained how the HMOs operated. They encouraged participants to find out which of the HMOs had doctors they knew and trusted and to seek recommendations from family, friends, or other New Hope participants. Once participants selected a plan, they completed a simple enrollment form and returned it to their project rep.

Participants' choice of health insurance plan normally stayed in effect throughout the time they were enrolled in New Hope, provided that they continued working at least 30 hours per week. If participants stopped working or had a cutback in hours, New Hope's policy was to allow them to continue receiving health insurance for three weeks while they continued to look for a new job. In practice, program staff would extend coverage for up to two months if participants were actively seeking work or expected their work hours to increase. Staff did not think it made sense — or that it was in participants' best interests — to terminate benefits for participants who would regain eligibility the next month.

New Hope required every participant who used health insurance to contribute toward it on a monthly basis. The copay amounts were based on a sliding scale that took into account participants' income and household size. The copays began at the low end of what many employer-sponsored plans in the Milwaukee area required of employees ($72 per year for single persons and $168 for households with three persons or more) and were capped at the high end ($600 a year for single persons and $1,548 for households with three persons or more). Normally, the copays were deducted from participants' earnings supplements. If participants did not receive earnings supplements or had higher health insurance copays than supplement amounts, they were required to reimburse New Hope each month in order to stay in the plan.

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[29] UI records do not usually include self-employment, some domestic work, military jobs, and informal child care.

Many participants did not need New Hope's health insurance because they obtained coverage through Medicaid or from their employer. (Medicaid was always the largest provider of health insurance and — because it required no premiums — the most economical choice for participants who qualified.) For participants who relied on employer health plans, New Hope would reimburse them for the difference, if any, between the employer's premium and New Hope's copayment. In addition, if they received basic medical coverage from their employer but not dental insurance, New Hope permitted them to enroll in the dental coverage offered under one of its plans.

Child care assistance. New Hope participants who had at least one dependent child under age 13 were eligible to receive help with child care expenses. The benefit was strictly financial; New Hope did not run its own day care facility. The project reps did, however, encourage participants to find a reliable, good-quality provider and to have a backup in mind. They also provided assistance to participants who needed help in locating a child care provider. In order to qualify for New Hope's child care assistance, participants had to choose providers that were state-licensed or county-certified.

Like the other financial benefits offered by New Hope, the child care assistance was conditioned on participants' working an average of at least 30 hours per week. If participants were unemployed and looking for work, they were offered child care assistance for up to three hours per day for a maximum of three weeks. In two-parent families, the second parent was also required to work at least 15 hours per week in order to qualify for assistance.

New Hope reimbursed child care providers up to the same maximum level that Milwaukee County paid for AFDC recipients enrolled in work programs. In contrast to the welfare department, however, New Hope required participants to cover a portion of the cost. How much participants had to contribute depended in part on how many children they had in child care. For families with one child in day care, the minimum copay was $33 per month. For families with four children or more in day care, the minimum copay was $120 per month. These base rates gradually increased as family earnings increased. When a family's annual earnings surpassed $30,000 or exceeded 200 percent of the poverty line for four months in a row, participants were expected to pay the full cost of their child care expenses.

New Hope expected participants to find a child care provider and to make arrangements with that provider for payment of services. The project reps issued participants an instruction packet that explained the policies and contained a child care provider agreement. Participants and providers filled out and signed the agreement jointly. The child care providers had to indicate the hourly rates they charged for children in different age groups and for full- or partial-day care and to submit a copy of their license or certification to New Hope.

Each month, the child care providers and participants completed a form that documented how many hours of child care they provided to participants' children. The providers were responsible for turning the forms into New Hope, where the project reps verified participants' work hours. Assuming that participants met the 30-hours-per-week requirement, New Hope issued a check to the provider for the amount of New Hope's contribution. Participants were required to make their copay directly to the child care provider. In contrast to the health insurance copay, the child care copay was *not* deducted from participants' earnings supplements.

Although New Hope's reimbursement rates were equal to or slightly higher than those of the Milwaukee County Department of Human Services, its procedures for reimbursement were more tightly controlled. Generally speaking, the county would pay the child care providers for services delivered, even if AFDC recipients did not fulfill the terms of their work program assignment. New Hope, on the other hand, did not provide full reimbursement to the providers if participants' work hours fell below the 30-hours-per-week requirement. Similarly, if participants failed to turn in their wage stubs so that their work hours could be verified, New Hope paid only 75 percent of the child care provider's bill for that month, less the participant's copay. If the participant did not submit wage stubs for the *second* month, New Hope did not cover the provider's child care costs at all. These policies led to some friction between New Hope and child care providers during the program's initial years, but relations improved after staff met with providers and explained the procedures. New Hope wanted its participants to assume the same level of responsibility for paying their child care provider that other working families assumed; for providers, this meant accepting some risk of nonpayment. The risk was counterbalanced by the fact that New Hope generally reimbursed providers faster than the county and deployed its staff to resolve any payment problems that arose.

Community Service Jobs (CSJs).[10] New Hope participants who were unable to find work in the unsubsidized labor market had the option of applying for a CSJ that paid minimum wage. Importantly, these jobs enabled participants to qualify for New Hope's earnings supplements, health insurance, and child care assistance, so long as participants met the 30-hour-per-week requirement. CSJs were developed and funded by New Hope, but were based in private, nonprofit social service agencies throughout Milwaukee (depicted in Figure 2.3). To minimize transportation barriers, the jobs were often located in the target neighborhoods. The positions were designed to help participants gain work experience, build skills, and obtain references that they could use to find unsubsidized work. Although the CSJs were subsidized, New Hope staff described them as "real jobs."

New Hope's project reps referred participants to CSJs if they met one of three conditions: they were unemployed and had not found a job after an eight-week job search; they had lost an unsubsidized job and had not found another one after a three-week job search; or they were working part time in the unsubsidized labor market, but needed additional work to fill out the 30-hour-a-week minimum required to qualify for New Hope financial benefits. CSJs lasted no longer than six months, but could be repeated once; that is, participants could work in a CSJ for a total of 12 months during the three years they were enrolled in the program.

Although New Hope staff developed more than enough CSJs for the number of participants who needed them, the jobs were not guaranteed. Participants had to interview for the positions they wanted and perform satisfactorily in order to remain on the job. Worksite sponsors could fire participants who did not show up on schedule or otherwise did not meet their standards. Likewise, participants had the right to quit a CSJ if it was not to their liking. (Participants who were fired or quit were allowed up to three more CSJ placements while enrolled in New Hope.) The CSJ placements were intended to imitate the experience of working in the unsubsidized labor market as much as possible.

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[10] For more details on CSJ implementation, see Poglinco, Brash, and Granger, 1998.

The program offered participants a range of CSJ assignments to choose from in a variety of community-based social service agencies. A breakdown of the actual assignments made in 1996 (a year program staff described as typical) is shown in Figure 2.5. Office support positions (namely, reception and clerical work) were most common, followed by property maintenance and building construction or rehabilitation. A number of participants also worked in the child care and food service fields. In general, the positions were entry level and placed a greater emphasis on exposing participants to the world of work (showing up on time, getting along with supervisors and coworkers, and so on) than on acquiring specific occupational skills. A small number of participants, however, were assigned to "work teams" that received close supervision and introductory training in manufacturing or housing renovation/lead abatement.

With the exception of work teams — which were designed as four-to-six-month placements — New Hope staff encouraged participants to move out of CSJs and into unsubsidized work as quickly as possible. Hence, participants were encouraged to continue their job search while working in a CSJ. Project reps thought that it was in participants' best interest to "bank" as much of the 12-month CSJ allotment as possible, to safeguard against future unemployment. While this may have been in participants' best interest, the policy did not always please worksite sponsors, who generally would have preferred knowing that participants would stay on the job for at least a full six months. Still, New Hope never had difficulty finding enough work sponsors to provide CSJ positions for its participants.

The administration of CSJs involved a partnership between New Hope, the sponsoring worksites, and the Milwaukee Private Industry Council (PIC). New Hope staff recruited social service agencies to develop "slots," referred participants, and monitored both the participants and the worksites. The sponsoring agencies developed job descriptions, supplied the work, interviewed applicants, and supervised the participants they hired. The PIC, under contract with New Hope, acted as the actual "employer" and handled the payroll, using funds supplied by New Hope. As the employer, the PIC covered worker's compensation benefits if CSJ participants were injured on the job. However, because the CSJs were classified as a time-limited training program, participants were not eligible for state unemployment insurance benefits when they were terminated.

New Hope participants in CSJs reported to work as scheduled by the worksite. Every two weeks, they filled out a time sheet, had it signed by their worksite sponsor, and submitted it to New Hope. Participants were paid only for the hours they worked. New Hope CSJ staff reviewed the time sheets and distributed copies to the PIC and to participants' project reps. The PIC issued participants' paychecks, while the reps checked to see whether participants had worked enough hours to receive earnings supplements, health insurance, and child care assistance. If so, the project reps processed these benefits just as they would for any participant employed in a regular job.

C. Interactions Between Participants and Staff[11]

The earnings supplement, health insurance, child care, and CSJs described above combine to make New Hope unlike any other program. To view New Hope *only* in terms of these benefits and services, however, is to overlook the importance of the verbal communications and personal interactions between participants and staff. Many participants credited their project rep

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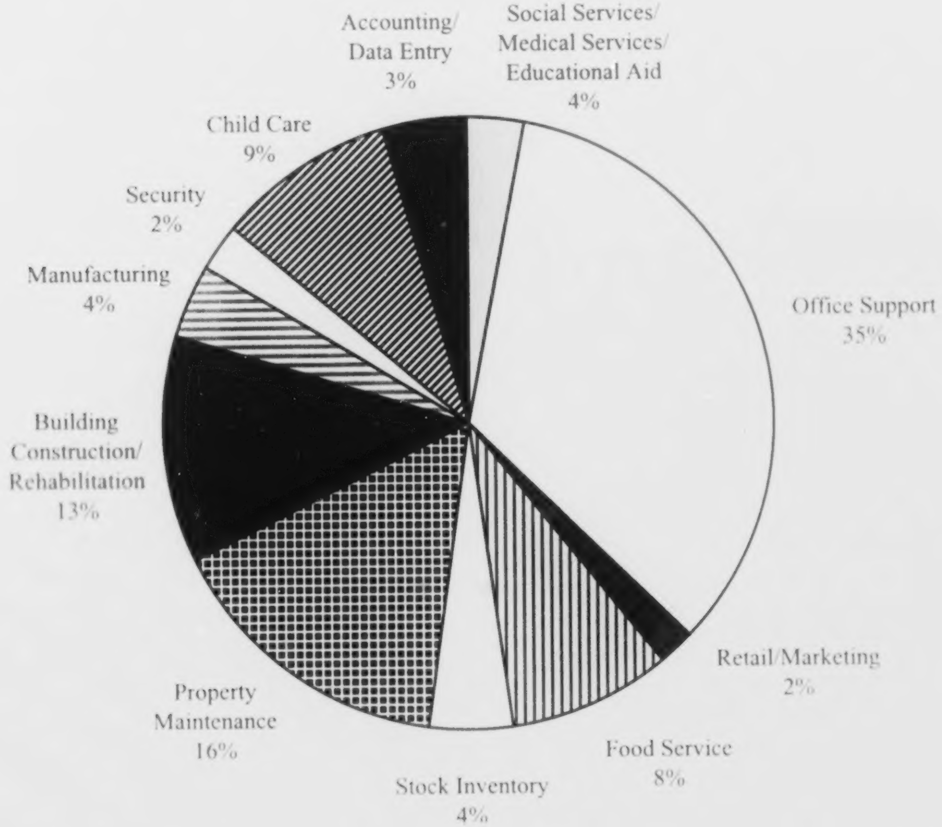
[11] This section is summarized from Brock et al., 1997, ch. 7.

Figure 2.5

The New Hope Project

Community Service Job Assignments: January-December 1996



SOURCE: New Hope Project.

NOTES: Percentages are based on 201 CSJ assignments made between January and December 1996. Some participants were given more than one assignment.

with giving them the information, motivation, and support they needed to achieve their employment goals and make other positive changes in their life. Some participants said that the relationships they established with program staff were equal to or more important than the financial benefits and services that they received. This finding was underscored by the responses to an open-ended question on the 24-month follow-up survey, in which members of the program group were asked to name the things they "liked most" about New Hope.[32] The most frequent answer, given by 43 percent of the respondents, was "help from staff." The earnings supplement and "help in getting or looking for a job" were the second most common answers, each named by 20 percent of the respondents.[33]

As the section on operating procedures made clear, the project reps served as the primary point of contact for program participants, performing a role that most social service programs would call case management. Each rep was responsible for about 75 participants, for whom he or she processed all benefits and, as necessary, made referrals to CSJs. Benefits processing consumed the largest amount of reps' time: about 10 days per month. Much of their remaining time was spent in one-on-one or small group meetings with participants. As explained below, these interactions had three major purposes: encouraging maximum benefit use by participants, coaching participants on how to look for work and move up the job ladder, and counseling or advising participants on personal matters.

Encouraging maximum benefit use. In many social welfare programs, staff try to limit benefit use, either to conserve program resources or to discourage "dependence" (or both). New Hope staff thought about benefit use quite differently. In order to achieve the program's main objective — to help participants leave poverty through employment — staff wanted participants to make full use of the earnings supplement, health insurance, child care assistance, and (when needed) CSJs. They also encouraged participants to take full advantage of other benefits and programs in the community that might improve their employment and economic circumstances. For example, if participants received Medicaid through the county welfare department, New Hope staff encouraged them to get transitional Medicaid benefits (available for up to 12 months for AFDC recipients who left welfare for employment before switching to New Hope's health insurance). This made good sense for participants, since New Hope's coverage was similar to Medicaid but required a monthly copayment. Similarly, New Hope staff encouraged participants to look at job listings at the Milwaukee Job Centers, where government, nonprofit, and for-profit organizations offered help to area residents who wanted to find work.

Staff's primary concern when talking with participants was to make sure they understood the New Hope offer completely and made informed choices about which benefits to use. They regularly inquired about changes in participants' employment or family circumstances that could affect their eligibility for benefits and services. Although every participant received a handbook that explained the offer in simple terms, staff found that they had to go over this information frequently. As one rep explained:

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[32] At the time of the survey, interviewers recorded respondents' comments verbatim. Similar comments were later assigned a code. The coded responses were tallied to produce the rankings reported in this section. Respondents were allowed to name as many things as they wished; all responses were coded and tallied.

[33] The results are particularly striking, given that the question on "what you've liked most" came at the end of the survey, after respondents addressed numerous questions about their employment and income, economic well-being, and (for the program group) use of New Hope's financial benefits and CSJs.

> What you say and what people hear are often two different things. It takes repetition. . . . For instance, I had a man who came into the program and was working. He did not qualify for benefits the first time because he didn't have enough hours. I had to explain again our requirements. That is what I mean by repetition. Then he lost his employment. He chose not to share that with me until the next month. I noticed there were only two check stubs rather than four. I asked him, he said, "oh, well, I lost my job." I had to say, "just inform me, please, when changes occur. You may be eligible for community service. I want you to be aware of what resources you can utilize." Just getting them to see, if you lose employment and you don't tell me . . . well, it's like the phrase, "I can't fix something if I don't know it is broken."

As the above quotation makes clear, the reps were able to perform their work most effectively when participants were forthcoming with information about what was happening in their life and asked for help. To facilitate this type of dialogue, reps tried to schedule in-person meetings or talk on the telephone with participants every month. If necessary, they also made themselves available to meet with participants after office hours.

The reps were expected to account for every participant during biweekly meetings with their supervisor or other staff. If participants elected not to use New Hope benefits, the reps had to explain why. If participants simply dropped out with no explanation, reps were expected to try to locate them and invite them back. The program also took steps to encourage participants to initiate contacts with their reps, including sending out letters and flyers to remind participants of the benefits and services available and to profile the successes of individuals who took advantage of New Hope to find employment and attain other personal goals. Finally, the program regularly sponsored informational workshops on such topics as home buying and personal financial management and arranged social events, such as annual summer picnics, to provide opportunities for staff and participants to interact and encourage participants to stay connected to the program.

Many participants took note of the concerted efforts made by project reps to help them access benefits and services. During field interviews and focus group discussions, one of the most persistent themes was recognition of and appreciation for the help the reps offered. As one participant explained:

> My project rep, she's really good. She helps me out a lot . . . I mean with anything. When I needed help to mail out my check and stuff, she mailed 'em. She helped me get my daughter into this day care center, right here. Health insurance, everything.

Not everyone found his or her rep to be this helpful. As occurs in any program setting, staff sometimes had disagreements with participants or did not satisfy their requests for assistance.[14] The field research and the two-year survey provided no evidence, however, that the reps ever refused service to a participant or that anyone was denied a benefit for which he or she was eligible.

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[14] As discussed in Chapter 3, about 20 percent of the program group did not use financial benefits during the two-year follow-up period. Among the group who reported using no benefits or services, 12 percent said they did not participate because the reps were not helpful or changed too often, and 9 percent said they did not participate because reps did not answer repeated contacts.

Job coaching. This role had two dimensions: helping participants who were unemployed to find work and encouraging participants who were already employed to seek better work opportunities. The reps took various approaches to helping participants find employment. Some reps would search "employment wanted" advertisements on participants' behalf, and — with participants' permission — set up interviews for them with employers. Others merely directed participants to resources in the community where job opportunities were listed. All of the reps provided help to participants in developing or updating their résumés and in practicing their job interviewing skills.

During focus group meetings and field interviews, New Hope participants described the reps' job coaching role mainly in motivational terms. Among participants who were working, most said that they did not find their job through New Hope, but many who started working after they enrolled in New Hope credited the program staff with giving them the confidence to look for work. The following comment was typical:

> I found my job on my own, but they gave me the initiative. They gave me, you know, that push.

Many participants welcomed the support and encouragement they received from their project reps while they were looking for work. They liked having someone who was "on their side" — a person to whom they could reveal their aspirations and fears about employment. By contrast, participants often depicted county welfare department staff — and sometimes their own family members or friends — as pressuring them into making decisions that were not in their best interest.

As a group, the project reps shared several strong beliefs about employment that influenced their role as job coaches. First, they believed that every participant was employable. Reps tended not to dwell on participants' barriers to employment, other than to say how New Hope's benefits and services might help them overcome barriers that they might have experienced in the past. This is not to say that the reps ignored issues that could make it difficult to find or keep a job, such as the lack of a high school diploma or GED or a substance abuse problem. Whenever possible, however, New Hope staff encouraged participants to go to school or seek other appropriate help *while working*. In situations in which the problems required significant attention to address, reps advised participants to get help from other organizations first and return to New Hope when they were ready to work.

A second belief was that almost *any* job was better than unemployment. Minimum wage and entry-level jobs, for example, were acceptable. One rep gave the following advice to a participant who was considering employment at a fast food restaurant:

> McDonald's is not a bad place to work for awhile. You learn customer service, you learn food preparation, maintenance. For six months, this is not a bad option if it is helping you move forward in the long run.

Staff drew the line at jobs that were physically hazardous or that would subject participants to harassing or degrading conditions, but otherwise felt that participants were better off working —

even if it meant starting at the bottom. The time to look for a better job, staff reasoned, was *after* becoming employed and collecting New Hope benefits.

A third belief expressed by many of the project reps was the importance of a positive attitude in finding and keeping a job. Staff did not deny that factors like a lack of an educational credential or racial discrimination in the labor market could pose barriers for some people, but did not allow participants to turn such problems into excuses for *not* working. One rep, himself a person of color, said he addressed the issue of racial discrimination as follows:

> I think attitude is key. If you go out to [a Milwaukee suburb], some of my African American males say, "no one will hire me for this job." I say, "if you are here at 7:00 . . . , it doesn't matter what color you are, how big or how small. They want someone who will do the job. That is what you need to show."

This project rep, along with many of his colleagues, felt that an important part of being an effective job coach was helping participants recognize the positive features within themselves that made them employable rather than dwell on the reasons why they might *not* get hired.

Finally, the project reps believed that *every* employment experience — even a bad one — afforded an opportunity for participants to grow. The reps tended not to feel disappointed with participants who quit a job or who were fired, even if the job was obtained through New Hope. One rep recounted the following exchange he had with a participant who walked off a CSJ after a disagreement with a supervisor:

> I asked him, "what did you learn from this? What would you do differently next time?" He said he didn't know. I told him to think about it. He said, "I left [the CSJ], I don't want to think about it again." I said, "you may find yourself in this situation again; it's important to learn from it." As we talked, he realized that he could have done some things differently so he could have left on a better note, so that he could use them as a reference. Now he is unable to. He worked six weeks, but it is just like he had no employment.

The project reps tried to instill in participants a future orientation. They tried to help participants not to become stymied by past negative experiences, but rather to learn from them. Even unpleasant job situations, staff suggested, could be used to help participants clarify their employment objectives and — if participants left on a good note — obtain a reference.

Counseling and advising. As reps got to know participants better, some participants would talk about such personal matters as their relationships with spouses, partners, or children; painful experiences in their past; or their hopes and fears for the future. Although the reps were not trained as professional counselors — and held no illusions that they could provide intensive counseling for people with serious problems — they generally felt comfortable acting as a sounding board for participants. As one rep explained:

> A lot of people really allow their unemployment to pull them down emotionally. Basically, my role is to listen. I am not trying to be a psychiatrist or anything. But sometimes I hear things they don't even know they are saying.

The reps believed they performed a useful function simply by allowing participants to talk. They tried to be active listeners, giving participants their full attention and acknowledging participants' emotions. As appropriate, staff offered specific advice, sometimes drawing on their own experiences in dealing with problems similar to those that participants described. In other instances, they referred participants to other organizations in Milwaukee that could offer appropriate help. Many participants commented favorably on the reps' ability to listen and provide helpful referrals, as evident in one man's remarks:

> [My rep] was cool. Because he not only treated us [right] because we're New Hope people, he treated us [right] 'cause we're people. He'd even talk to me about things that didn't have to do with the job and stuff, just to keep me on an even keel.

Being "treated right" was a common theme that emerged during focus groups and individual interviews with participants. Many participants told about feeling ignored or degraded by welfare and employment programs. New Hope, they said, was different. As one participant stated succinctly, "New Hope makes you feel good about yourself and welfare dehumanizes you." Another participant explained:

> To your AFDC caseworker, you're just a number. Here, you're a person. My job was cut down to two days. I talked with my rep. He helped me with my résumé and look for a new job. . . . My rep always returns my calls and gets back to me. When I first came to New Hope, I didn't have a GED. My oldest son wanted help with his algebra. I couldn't do it. I asked my rep where I could get a GED. He referred me to six places! . . . Any kind of problem, I get help with here.

For many participants, it was the active support and encouragement they received from their reps — not just the financial benefits and services they received — that distinguished New Hope from other social service programs they had experienced.

D. Implementation Issues and Challenges

The New Hope program evolved over time. The core objectives on which the program was founded never changed, but the board and staff were always searching for ways to make the program operate more smoothly and serve participants more effectively. For example, they invested considerable resources into developing an automated management information system (MIS) to replace the paper forms and tables that were initially used by the reps to calculate participants' benefits every month. They simplified child care payment procedures when it became clear that the old system — which involved two-party checks issued by New Hope and signed by participants — resulted in some child care providers not getting paid promptly. They revised program brochures and other documents to try to do a better job of explaining New Hope benefits and services to participants.[15]

Some of the problems the board and staff encountered proved more intractable than others. Field interviews with program staff and participants pointed to four major issues or challenges that persisted throughout the first few years of program implementation:

Communicating the New Hope offer in a way that participants could fully understand. During sample recruitment, staff quickly realized that many people living in the target areas had trouble understanding the New Hope offer for several reasons, including the inherent complexity of the design of the benefits and services, skepticism about the genuineness of the offer, and confusion about the relationship between New Hope and federal and state welfare reform efforts.[36] Even after assignment to the program group, participants' lack of understanding manifested itself in different ways, such as when they forgot that they could work in a CSJ if they lost employment or when they questioned whether they could keep their New Hope health insurance if they got sick and experienced a temporary reduction in work hours.[37] Many participants also had trouble understanding how benefits were calculated or why benefit amounts fluctuated from month to month.

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[15] For more background on these issues, see Brock et al., 1997, chs. 2, 5, and 8.

The reasons for fluctuations in the amount of earnings supplements that participants received proved especially difficult to understand or explain. The earnings supplement was very sensitive to changes in participants' monthly earnings, household size, and household composition (number of earners); changes in any of these circumstances could lead to changes in the supplement amount. Even for steady workers, changes in the number of work hours, work days, or pay days in a month could result in significant variation in the earnings supplement amount they received. This made sense from a benefit design standpoint, since the objective was to lift household income near or above the poverty level on a monthly basis. From a user perspective, however, the fluctuations often bred confusion or frustration. One participant put it this way:

> I think that's how to get disappointed every month. I would think I was getting a certain amount and I'd come pick up my check and my check was different from what I was told. . . . So I got fed up with that. That's why I didn't come anymore.

Although this participant's reaction was extreme, field interviews with staff and participants indicated that uncertainty over benefit amounts was common. Former welfare recipients reportedly had the most difficulty understanding benefit fluctuations, since they were accustomed to the relative stability of their welfare checks. Although New Hope staff developed written materials to explain how earnings supplements were determined — and often reviewed the benefit calculations with participants — the logic behind the benefit formulas continued to elude many participants.

Getting participants to take full advantage of the advanced Earned Income Credit. As previously noted, to help raise participants' household incomes near or above poverty level, the New Hope benefit package took into account all cash income available to the participant, including earnings, the earnings supplement, and the federal and state EICs. The fact that the federal EIC could be used to supplement the incomes of low-income workers throughout the year — not just at tax time — was an important element of the design. The Internal Revenue Service permits 60 percent of the minimum EIC that is estimated for a worker at a given income level and household size to be prorated and advanced in workers' paychecks; to qualify, workers need only file a simple form with their employer.

New Hope's board and staff took a strong position that participants should understand the opportunity provided by the advanced EIC payment to increase the amount of money they had to live on each month. Staff tried many different approaches to educate participants about the EIC, including adding a line to participants' monthly New Hope benefit statement that showed them how much they could receive in advanced EIC payments from their employer. Some participants heeded the advice, but staff estimated that three out of four participants continued to receive the EIC in a lump sum after filing taxes.[38] Recent field research on a group of families with children in the New Hope sample[39] — together with other studies of EIC use[40] — indicates that many people preferred to receive the lump sum, either to have sufficient cash to make large purchases (a car or an appliance, for example) or to pay off debts. Some people may also not understand how to request the advanced EIC from their employer or be reluctant to ask.

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[36] For an in-depth discussion of sample recruitment and problems in communicating the New Hope offer, see Brock et al., 1997, ch. 5.

[37] See Benoit, 1996, pp. 23-24.

Achieving and maintaining high rates of participation. As discussed earlier, New Hope staff tried to help participants maximize their use of New Hope benefits and services. Nevertheless, it was consistently lower than the board and staff expected. Use rates and patterns will be discussed in the next chapter, but the reasons for nonuse frequently had a sound basis. For example, some people decided they were not ready to work at least 30 hours per week, perhaps because they wanted to go back to school or to watch after their children. Others moved out of the Milwaukee area and could not easily maintain contact with the program.[41] Staff understood these reasons; what they found more troubling were participants who simply dropped out with no explanation. Project reps typically spent a few hours each month trying to track down these individuals, often without success.

On reflection, the requirement that participants submit wage stubs to qualify for monthly benefits probably contributed to the lower-than-anticipated use. Although the requirement did not seem onerous, it had the effect of forcing participants to decide *each month* whether or not to receive benefits. In contrast, deciding to receive the advanced EIC involved filling out only one form with an employer, and deciding to receive AFDC generally required an application and review every six months. Even if participants did not consciously choose to forgo receipt of New Hope benefits, simply forgetting to submit wage stubs on time — or being too busy to meet the deadline — led to the same outcome.[42] To the extent that this occurred, New Hope's objective of raising participants' monthly income and providing continuous health insurance and child care assistance was undermined.

Balancing the need for consistent procedures with the desire to accommodate participant circumstances. New Hope's board and staff were committed to principles of customer service. They did not want the program to become rigid and bureaucratic; if participants questioned a rule or did not follow a certain procedure, they were willing to talk through the situation and revise policies when needed. As time went on, however, they became increasingly aware of the need for consistency. For example, they had to decide how many times participants could quit or be fired from a CSJ before New Hope would cease to provide them with new CSJ opportunities. (They decided that three times was the limit.) Similarly, they had to determine how many days participants could be late in submitting wage stubs before being told that they would have to wait until the following month to receive financial benefits. (At first, staff allowed participants to be one or two days late, but gradually became more strict about enforcing the deadline.)

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[38] The estimate was based on a staff-initiated review of 50 randomly selected cases. Project reps also confirmed this estimate based on their interactions with participants.

[39] Otherwise known as the ethnographic sample of the Child and Family Study. See Appendix J for an explanation.

[40] See, for example, Olson and Davis, 1994; U.S. General Accounting Office, 1992.

[41] Participants could continue to receive financial benefits from New Hope as long as they lived in Wisconsin, provided that they continued to submit wage stubs to their project reps. Participants who moved out of state could not continue to receive benefits.

[42] Participants who missed a monthly deadline for submitting wage stubs had up to 90 days to turn them in to qualify for earnings supplements and other benefits. Such delays, however, could lead to gaps in benefit receipt and kept New Hope from helping participants increase and stabilize monthly income.

The need for consistency was driven in part by the need to treat participants equally and fairly, but also by staff's need to manage their workload. One project rep, recounting his frustration with participants who repeatedly missed the deadline for submitting wage stubs, put it this way:

> I struggle with some people who don't want to demonstrate responsibility. They bring in check stubs on the 6th rather than the 5th. Well, I can deal with that. But next month they bring it in on the 10th. We need to work more in finding middle ground between being sensitive and accommodating and following the procedures we have established.

As the above quotation implies, staff did not want to enforce the rules just for the rules' sake. At the same time, they gradually realized that they could not bend the rules repeatedly. Much of the time they spent in biweekly supervisory and staff meetings was on clarifying program procedures and determining how to reach the appropriate balance between consistency and flexibility.

* * * * *

While the issues and challenges described above were taken seriously by New Hope's board and staff, it is important to note what was *not* on the list. Absent are any indications that the program failed to deliver on its promised benefits and services. Absent as well are any signs that significant numbers of participants or staff were unhappy or disappointed with the program. New Hope may not have operated perfectly — no program ever has — but it largely accomplished what it set out to do: implement a coherent, flexible, and supportive approach to helping people find employment and lift themselves out of poverty. The New Hope benefit package and mode of service delivery was fundamentally different from any welfare or other service program that was available.

The strongest support for this conclusion came from program participants. During focus group interviews with 36 program group members in October 1995,[41] an overwhelming majority spoke passionately about the importance of specific benefits and services to them and their families and of the sense of security they felt because of their access to New Hope. They compared New Hope favorably with other employment and welfare programs they had experienced. In one participant's words:

> It's a whole completely different thing. They [New Hope] give you a chance. Where some of those programs, to me, are downbeat.

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[41] The focus group interviews were attended by 36 out of 100 randomly selected program group members. The characteristics of the 36 attendees were representative of the larger group. See Benoit, 1996.

Or as another participant explained:

> In AFDC, I was just a Social Security number, with an economic history. They don't treat you with respect as a competent human being. I was on AFDC not because I am incapable or I did not have the ability to work. I was there because, in that moment, I simply did not have the capacity to leave my baby in day care and go and look for a job. And the jobs that you can find, they only pay like $4.25 and this is not compatible. Through AFDC, you receive a fair treatment from your social worker, but not when you need to go and deal with the receptionist, or if you go to the store and pay with Food Stamps, or if you go to the doctor and show your Title XIX [Medicaid] card . . . you don't receive the respect you deserve as a person.

Many of the focus group participants credited New Hope with giving them the confidence to look for work, leave welfare, or make other positive changes in their lives. Among the few expressed disappointments was that the program could not serve more people.[44]

The two-year follow-up survey similarly detected a high level of participant satisfaction with New Hope. When program group members were asked an open-ended question about what they would like to see changed about the program, 44 percent responded, "nothing." The second-ranking response — volunteered by 11 percent — was to expand the program. Nine percent said that the program should last longer than three years (tied for the third most frequent response). Pointing to an area of possible improvement, 9 percent also said that there should be more or better communication between participants and the program. This may have reflected the difficulties that many program group members had in understanding the New Hope offer or the fluctuations in benefits. All other changes suggested were reported by fewer than 4 percent of the respondents.[45]

The following chapter describes in detail the characteristics of the New Hope sample and examines the use of New Hope benefits and services, other community resources outside New Hope, and reasons for nonuse of benefits. The chapter thus completes the story on program implementation and provides the remaining context needed to interpret New Hope's effects.

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[44] Benoit, 1996.

[45] At the time of the survey, interviewers recorded respondents' comments verbatim. Similar comments were later assigned a code and tallied to produce the rankings reported in this section. Multiple responses were allowed, but for this analysis the "nothing" or "no changes" response was counted only if it was the only response to the question of what the respondent would like to see changed about the New Hope Project.

Chapter 3

Sample Characteristics and Participants' Use of Benefits and Services

Before discussing the effects of New Hope on poverty, employment, and other outcomes, it is necessary to answer two questions about this study and about the New Hope Project, namely: Who was in the New Hope sample, and what benefits and services did New Hope provide? Together the answers to these two questions describe the context of the New Hope program effects, enabling us to understand how these effects occurred and how New Hope's lessons can be applied beyond the immediate program.

Sample characteristics and benefit use were discussed extensively in the previous report on New Hope,[1] a discussion that will not be repeated here. However, this chapter adds important new findings to that report, primarily in three areas. First, it describes the characteristics of some subgroups of the full sample who will be at the center of the impact analysis later in this report. Second,the follow-up for measures of program participation and service use are extended from one to two years, providing a more complete picture of New Hope's contributions to program participants. Third, the discussion in this chapter of service receipt by controls allows us to compare the New Hope program with the existing service delivery system serving low-income residents of Milwaukee. Data for this comparison were collected with the two-year follow-up survey, which asked both research groups the same questions about services and program participation.

The chapter is structured as follows: after listing key findings, it discusses the recruitment effort to enroll sample members in the New Hope program, describes the characteristics of the sample at random assignment, and introduces key subgroups. Further sections present New Hope benefit use and participation among program group members; explore reasons for nonparticipation, as recorded in the two-year follow-up survey; and introduce the Child and Family Study (CFS) sample and describe their benefit use. The chapter concludes by presenting service receipt among controls, contrasting it with the experiences of the New Hope program group.

I. Key Findings

- Despite initial difficulties, New Hope successfully recruited a varied group of sample members from many different demographic groups in the community. At the time they entered the study, many sample members were using welfare or other social services in the community.

- Almost 80 percent of all program group members received financial benefits at some point during the two-year follow-up period, although much smaller numbers qualified for benefits in any given month.

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[1] Brock et al., 1997.

- Sample members who were employed full time when they applied for New Hope received more program benefits than those who first had to secure full-time employment.

- Control group members had access to some of the same services provided by New Hope, through either the welfare department or their employer. Many received child care subsidies and health care, although more controls than New Hope program group members were without these services.

- The earnings supplements and community service jobs were unique features of New Hope, unavailable to controls. In addition to these and other financial benefits, New Hope offered participants an incentive to work full time, a guaranteed job, guaranteed affordable health insurance and child care, and a supportive program environment. All of these featrures combined to make the New Hope experience different from what participants would have experienced without New Hope.

II. Sample Recruitment

The sample for the New Hope evaluation was recruited over a period beginning in July 1994 and ending in December 1995. Although the recruitment process took longer than anticipated, staff ultimately succeeded in getting 1,362 eligible residents of the target areas to submit an application and go through the random assignment process.[2] The principal challenge that staff faced was making target area residents aware of the new program and educating them about what New Hope had to offer and how it differed from other programs. Staff also had to explain the evaluation and make sure that applicants who agreed to take part in the study understood the implications of being randomly assigned to either the program or control group.

To get the word out about New Hope, staff used a variety of strategies. The most successful were informational letters mailed to public assistance recipients who resided in the target areas and presentations to local social service organizations, churches, schools, and businesses. New Hope also ran stories and advertisements in local media, posted flyers, hired a canvassing firm to deliver brochures to every residence, set up a telephone hotline, and encouraged program participants to refer eligible friends and relatives. Informational materials were translated into Spanish and Hmong, and multilingual staff were hired to make contact with all of the ethnic groups living in the target areas. When recruitment lagged in the Southside target area, New Hope opened a satellite office that Southside residents could reach more easily than the main Northside office and that provided greater visibility for the program.

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[2] At the beginning of the evaluation, New Hope set a sample goal of 1,200. The number was increased in part because the use of benefits and services turned out to be lower than expected, making it possible to enroll more people without raising program costs. New Hope's board and staff were also concerned when the recruitment effort initially yielded more applicants from the Northside target area than from the Southside. They extended the recruitment period and raised the enrollment goal in part to achieve greater balance in the number of sample members from each target area. As noted in Chapter 1, five New Hope participants were dropped from the evaluation because of missing background information forms (BIFs), resulting in a total sample of 1,357.

The goal of recruitment was to get people to attend a program orientation where New Hope staff described the benefits and services and the evaluation in detail. They discussed how New Hope's benefits and services would make people better off financially and explained why the evaluation was being conducted and how the random assignment process worked. Plenty of time was allotted for questions and answers. At the end of the session, people who were interested in applying to New Hope met with a program staff member to determine whether they met the eligibility criteria (at least 18 years old, a resident of one of the target areas, able and willing to work full time, and household income at or below 150 percent of poverty). Those who were eligible signed a statement agreeing to participate in the study and completed a set of baseline questions about their demographic characteristics, employment experiences, and attitudes toward work and welfare. Random assignment — which was conducted by MDRC staff — took place immediately after the baseline forms were completed, and resulted in an immediate determination of research group status. The 678 applicants who were assigned to the program group were told that they were eligible for New Hope benefits and services for three years from the date of random assignment. The 679 applicants who were assigned to the control group were told that they could *not* participate in New Hope, but were given a list of other community resources that they could go to on their own for help with employment or other social services.

Although New Hope ended up exceeding its sample goal, the recruitment effort proved much more difficult than staff expected. The federal and state welfare reforms taking place during the recruitment period dominated much of the local media and preoccupied many target area residents who relied on public assistance. Many people had trouble differentiating New Hope from these reforms or thought it sounded "too good to be true." Many low-income working people were too busy with their own lives to come to an orientation meeting. Some target area residents were put off by the evaluation or the random assignment process, particularly if they knew someone who had been assigned to the control group. Finally, the geographic boundaries proved to be a significant limitation. They restricted the eligible pool, were cumbersome to explain (and interfered with the main message about the program), and did not account for the fact that many target area residents moved frequently — often to areas nearby, but outside the eligible service zone.

Once people attended a program orientation, they usually reacted positively to New Hope. The great majority of orientation attenders who met New Hope's eligibility criteria elected to go through the random assignment process. During focus group interviews with people recently assigned to the program group, researchers asked what made them decide to apply.[3] Child care and health insurance were cited as the main draws, followed by an interest in finding work or better job opportunities. Focus group participants also expressed a desire for the security and peace of mind that New Hope seemed to offer. Finally, many of the focus group participants said that they were ready to make a change in their lives: to leave welfare, find a new job, alter their living situation or their personal relationships. They talked about New Hope as facilitating or making change less risky.

The way recruitment and orientation were conducted and the factors that led people to apply have at least two important implications for the evaluation. First, because many sample members were recruited from public assistance lists and from other social service agencies, the use of such resources during the follow-up period by program and control group members is likely to be high. Members of the program group will have to determine whether New Hope offers greater value to them than the other resources available in the community — and whether to use New Hope by itself or in combination with these other resources. Second, the requirement that program applicants be ready and willing to work full time combined with the frequent indications that they were ready to make changes in their lives suggest that sample members' motivation levels were high. Because of random assignment, both program and control groups were similarly disposed at enrollment. The test for New Hope is whether it will help program group members find and keep employment and achieve other personal goals at significantly higher levels during the follow-up period than their counterparts in the control group.

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[3] One hundred program group members — including active participants and nonparticipants — were randomly selected to participate in focus group interviews. The interviews took place in October 1995, or about 14 months after the start of random assignment. Thirty-six persons attended the focus groups. The characteristics of those who attended were representative of the larger group. See Benoit, 1996.

III. Characteristics of the New Hope Sample

As described above, New Hope's recruitment effort was both limited and broad: limited in that it enrolled only people living in the target areas who met the income and employability criteria, but broad in that it imposed no restrictions based on household composition or other categories.[4]

The program designers placed a high value on serving people from many different backgrounds and expected that they would use New Hope benefits and services as their personal needs and circumstances demanded. For example, as discussed in Chapter 2, the program assisted participants differently depending on their employment status. Participants who were employed an average of at least 30 hours per week were immediately eligible for earnings supplements, health insurance, and child care assistance. Those who were not employed full time received individualized job search assistance and, if necessary, could apply for a community service job; after attaining the 30-hour minimum, they, too, qualified for New Hope's financial benefits.

Because of the different needs and circumstances of sample members at enrollment — and because of the distinct program pathways available to them — much of the remainder of this report will analyze their program experiences and impacts separately. At the point of random assignment, 418 people met New Hope's criterion for full-time employment and 935 did not.[5] Their characteristics are shown in Table 3.1.[6]

Many of the demographic characteristics of the subgroups employed full time and not

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[4] The New Hope Neighborhood Survey compared the characteristics of these sample members with a neighborhood sample of individuals identified as eligible and interested in the program (Brock et al., 1997, p. 125). The survey found that their characteristics were quite similar, suggesting that the findings of this study can be generalized to similar low-income populations in other parts of Milwaukee and possibly in other cities.

[5] Four individuals were missing information about employment status and therefore are not included in the two employment subgroups.

[6] The table does not present separate columns for program and control group members because the random assignment process ensured that their characteristics were similar at enrollment. Readers who wish to see a breakdown of sample characteristics by program or control group status and the results of statistical tests for significant differences are referred to Appendix E.

Table 3.1

The New Hope Project

Selected Characteristics, Opinions, and Employment History of the New Hope Full Sample, by Full-Time Employment Status at Random Assignment

Sample and Characteristic by Measure	Full Sample	Employed Full Time	Not Employed Full Time	
Selected Characteristics from Background Information Form				
Demographic characteristic				
Gender (%)				
Female	71.6	70.8	72.1	
Male	28.4	29.2	27.9	
Age (%)				
18-19	6.3	4.8	6.8	
20-24	22.3	22.3	22.4	
25-34	39.1	40.4	38.6	
35-44	24.5	25.4	24.0	
45-54	5.5	6.2	5.2	
55 or over	2.4	1.0	3.0	
Average age	31.8	31.6	31.8	
Race/ethnicity (%)				***
African-American, non-Hispanic	51.4	51.4	51.4	
Hispanic	26.5	25.4	27.0	
White, non-Hispanic	13.0	10.3	14.1	
Asian/Pacific Islander	5.8	11.0	3.4	
Native American/Alaskan Native	3.4	1.9	4.1	
Resides in neighborhood (%)				
Northside	51.0	54.1	49.6	
Southside	49.0	45.9	50.4	
Household status				
Shares household with[a] (%)				
Spouse	11.9	16.5	9.8	***
Girlfriend/boyfriend	7.1	5.3	7.9	*
Children (own or partner's)	70.3	74.4	68.7	**
Others	24.0	19.2	26.1	***
Lives alone (%)	11.8	11.5	12.0	
Marital status (%)				**
Never married	59.8	56.5	61.3	
Married, living with spouse	12.2	16.5	10.4	
Married, living apart	9.6	9.3	9.6	
Separated, divorced, or widowed	18.3	17.7	18.7	
Number of children in household[b] (%)				*
None	29.0	24.4	30.8	
1	20.3	22.5	19.5	
2	19.2	21.1	18.4	
3 or more	31.5	32.1	31.3	
Among households with children,				
Age of youngest child[c] (%)				
2 or under	46.4	45.9	46.5	
3-5	24.0	25.6	23.2	
6 or over	29.7	28.5	30.3	

(continued)

Table 3.1 (continued)

Sample and Characteristic by Measure	Full Sample	Employed Full Time	Not Employed Full Time	
For CFS households, age of child[d] (%)				
1-3 (12-47 months)	59.0	54.1	60.9	
4-10 (48-131 months)	72.0	72.5	71.8	
Household has second potential wage earner (%)	12.8	17.2	10.8	***
Labor force status				
Ever employed (%)	94.7	99.8	92.6	***
Ever employed full time (%)	84.9	96.4	80.0	***
For longest full-time job, among those ever employed full time, (N=1,151)				
Average length of job (months)	37.2	36.5	37.6	
Benefits provided (%)				
Paid vacation	50.5	62.2	44.1	***
Paid sick leave	38.1	43.3	35.4	***
Medical coverage (individual)	29.7	29.9	29.7	
Medical coverage (family)	27.6	34.6	23.8	***
Coverage by a union	13.6	14.7	13.0	
Pension/retirement	20.1	21.6	19.3	
Child care	1.5	1.2	1.6	
Tuition reimbursement	7.7	10.2	6.4	**
Approximate earnings in past 12 months (%)				***
None	31.2	6.2	42.4	
$1-999	15.8	14.8	16.2	
$1,000-4,999	25.2	27.8	24.2	
$5,000-9,999	16.7	27.3	12.1	
$10,000-14,999	7.8	17.0	3.7	
$15,000 or above	3.3	6.9	1.5	
Current employment status (%)				***
Employed	37.5	92.6	13.1	
Not employed	55.1	0.0	79.6	
Missing	7.4	7.4	7.4	
Among those currently employed,				
Average hourly wage ($)	6.36	6.40	6.22	
Average hours worked per week (%)				***
1-29	23.7	0.0	100.0	
30 or more	76.3	100.0	0.0	
Public assistance status				
Currently receiving AFDC, General Assistance, Food Stamps, or Medicaid (%)				
Any type	62.9	47.4	69.8	***
AFDC	46.0	25.1	55.3	***
General Assistance	5.4	1.9	7.0	***
Food Stamps	57.5	39.7	65.5	***
Medicaid	51.6	40.0	56.8	***
Received assistance (AFDC, FS, GA, or Medicaid) in past 12 months (%)	70.6	62.2	74.4	***
Total prior AFDC/GA cash assistance[e] (%)				
None	25.1	27.3	24.1	
Less than 2 years	29.5	30.1	29.2	
2 years or more but less than 5 years	19.7	20.1	19.5	
5 years or more	25.7	22.5	27.2	

(continued)

Table 3.1 (continued)

Sample and Characteristic by Measure	Full Sample	Employed Full Time	Not Employed Full Time	
Resided as a child in a household receiving AFDC (%)	36.5	34.5	37.4	
Educational status				
Received high school diploma or GED[f] (%)	57.3	64.4	54.3	***
Highest grade completed in school (average)	10.8	10.8	10.8	
Currently enrolled in any type of education or training (%)	31.9	24.6	35.2	***
Other factors related to obtaining/retaining employment				
Have access to a car (%)	41.5	54.7	35.7	***
Ever arrested for anything since 16th birthday (%)	23.5	19.9	25.2	**
Housing status (%)				***
Rent	87.7	90.4	86.5	
Own	5.2	6.7	4.6	
Other	7.0	2.9	8.9	
Number of moves in past 2 years (%)				
None	30.3	29.9	30.4	
1	30.0	29.9	30.2	
2 or more	35.2	37.3	34.2	
Missing	4.6	2.9	5.2	
Sample size	*1,357*	*418*	*935*	
Opinions and Employment History from Private Opinion Survey				
Client-reported employment history				
Number of full-time jobs (30 hours or more a week) held in the past 5 years (%)				***
None	19.3	8.3	23.9	
1	31.0	37.8	28.2	
2 or 3	36.2	39.1	34.9	
4 or more	13.5	14.7	13.1	
When unemployed, length of time it took to find new work (%)				***
1 month or less	32.0	41.9	27.7	
2-6 months	38.5	36.5	39.3	
More than 6 months	12.5	10.3	13.6	
Don't know	16.9	11.3	19.4	
Client-reported difficulties while working				
Among those ever employed, those who said that they sometimes or often had these problems when they worked: (%)				
Client felt the boss or supervisor picked on or acted unfairly toward client	25.9	25.8	26.0	
Family responsibilities interfered with the job and this got client into trouble	24.4	14.3	29.1	***
There was too little help on the job to tell what to do and what not to do and this got client into trouble	9.7	6.1	11.4	**
Client got into trouble even when client was only a little late	10.2	8.5	11.0	
Client and the other workers argued and this got client into trouble	2.8	3.4	2.6	
Client did not like the way bosses or supervisors were ordering client around	13.9	11.0	15.3	*
Client did not want to do work that other people should have been doing and this got client into trouble	6.2	5.1	6.7	

(continued)

Table 3.1 (continued)

Sample and Characteristic by Measure	Full Sample	Employed Full Time	Not Employed Full Time
Client could never satisfy some customers and this got client into trouble	2.8	2.4	2.9
Alcohol or drug use caused problems on client's job	4.6	3.4	5.2
Client got into trouble but never really understood the reasons why	4.4	3.0	5.0
Client-reported situations that affect employment			
Those who reported health problems that limit the type of work they can do (%)	14.3	8.9	16.5 ***
Those who have: (%)			
Ever been evicted from an apartment or house over the past 10 years	17.5	14.5	18.6
Ever been homeless	21.5	18.9	22.7
Ever quit a job	60.0	53.3	63.1 ***
Client-reported education and training preferences			
Those who agreed a lot that they wanted to: (%)			
Go to school part time to study basic reading and math	33.1	34.9	32.4
Go to school part time to get a GED	34.4	28.8	36.9 **
Get on-the-job training for 1-3 months in a type of work that they have not tried before	59.0	47.1	64.0 ***
Get on-the-job training so that they would know what it is like to work	51.9	40.8	56.6 ***
Sample size	*1,079*	*320*	*755*

SOURCES: MDRC calculations from Background Information Forms (BIFS) for 1,357 sample members randomly assigned from August 1994 through December 1995. Five additional sample members who were missing these forms were excluded from the sample. MDRC calculations from Private Opinion Survey (POS) data for sample members randomly assigned from August 1994 through December 1995. The POS questions were voluntarily answered by 1,079 sample members (79 percent) just prior to random assignment.

NOTES: Except for two BIF items, the nonresponse rate for all specific characteristics was less than 1 percent and therefore these missings were excluded from the calculations. For the two characteristics, for which the nonresponse rate ranged from 5 to 7 percent for the full sample, the nonresponses are shown in the table as missings. Among the 1,079 POS responders, missings for individual questions ranged from 0 to 14 percent.

Sample sizes for the employment subgroups may not add up to the full sample because of missing data.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

A t-test or chi-square test was applied to differences between the characteristics of the last two columns to assess whether apparent differences in these characteristic were statistically significant. When several rows in the table describe the same underlying characteristic (that is, are not independent of one another), a single test must be used. The result of this test (denoted by asterisks) is shown on the line describing the characteristic.

Distributions may not add to 100.0 percent because of rounding.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] Because some sample members may be in more than one category, totals may not equal all categories summed.

[b] Includes all dependents under age 18.

[c] Includes all dependents under age 18.

[d] Some CFS households have children in both categories.

[e] This refers to the total number of months accumulated from at least one spell on an individual's own AFDC or GA case or the case of another adult in the household.

[f] The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

employed full time were similar. In both subgroups, about 70 percent of sample members were women, the average age was 32, and the proportion of Northside and Southside residents was similar. African-Americans and Hispanics constituted about one-half and one-fourth of the two subgroups, respectively. Whites and Native Americans, however, were more likely to be in the *not* employed subgroup, whereas Asians and Pacific Islanders were more likely to be in the employed subgroup.

A large majority of sample members in both subgroups reported that they were living with children, although the percentage was slightly higher in the subgroup employed full time (74.4 percent) than not employed full time (68.7 percent). Among households with children, nearly half had at least one child aged 2 or under. A majority of sample members reported that they had never been married. The proportion of sample members who were married and living with a spouse was slightly larger in the subgroup employed full time (16.5 percent) than in the subgroup not employed full time (10.4 percent).

Most applicants to New Hope had worked for pay at some point in their life, even if many had no earnings in the 12 months prior to application. As expected, these employment measures do show significant variation across the two employment subgroups, although those not employed full time at random assignment (80.0 percent) had full-time work experience. An important difference between the two groups was the extent to which sample members had *recent* work experience. Nearly 42 percent of those not employed full time had not worked in a year and only 17.3 percent of this group had earned more than $5,000 in the year preceding their application compared with 51.2 percent of those employed full time. Using data from unemployment insurance records, Figure 3.1 illustrates the earnings patterns of sample members in both employment subgroups in the year preceding their application to New Hope. It shows that those employed full time at random assignment had significantly higher earnings in each of the four preceding quarters and were experiencing earnings growth over the preceding year, whereas earnings for the other group were stagnant or even declined somewhat.

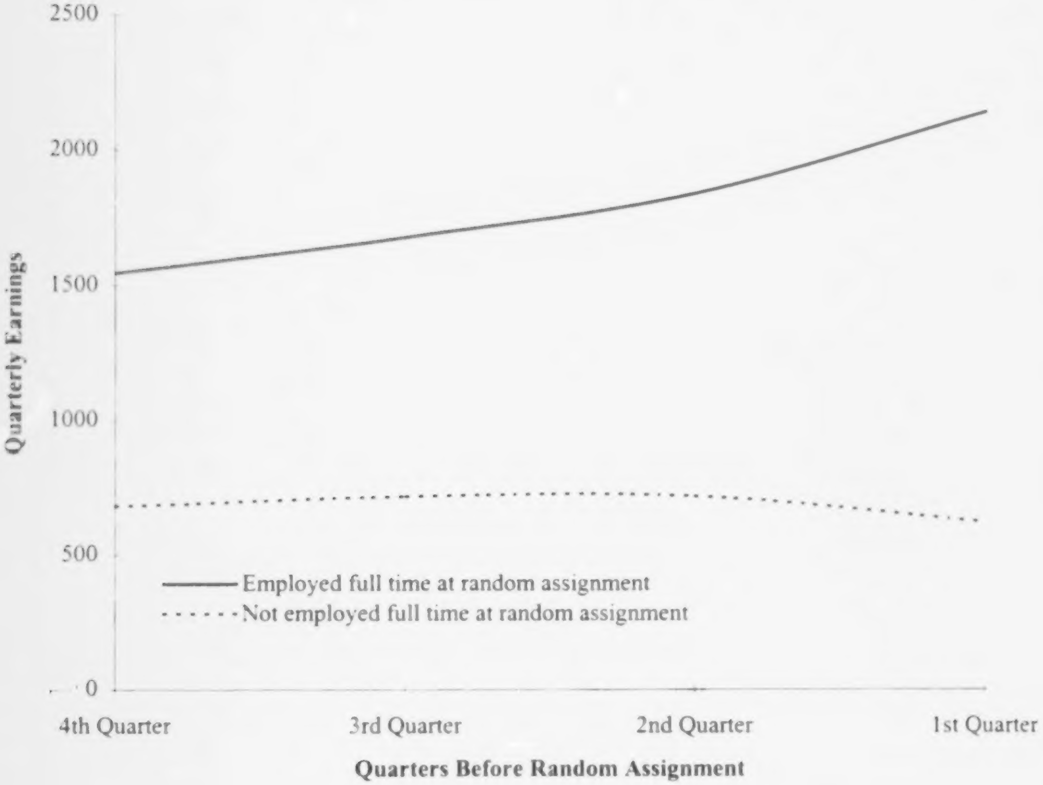
Predictably, the two subgroups differed in their use of public assistance, though the rates of receipt were high in both groups. At the time of random assignment, 47.4 percent of those employed full time received AFDC, General Assistance, Food Stamps, or Medicaid compared with 69.8 percent of those not employed full time. When asked whether they received public assistance in the past 12 months, 62.2 percent of those employed full time said "yes," as did 74.4 percent of those not employed full time. The high public assistance receipt rate is probably related to the low pay — and tenuous nature — of the jobs many people held. Some sample members may have combined work and welfare or relied on public assistance during spells of unemployment. Slightly more than one-third of the sample members in both subgroups said that they grew up in a household that received AFDC.

There was no difference between the two subgroups in highest grade completed in school (11th grade on average). However, sample members employed full time were more likely to have received a high school diploma or GED than those not employed full time (64.4 versus 54.3 percent). At least two other factors related to obtaining or retaining employment favored those employed full time: they were more likely to have access to a car (54.7 versus 35.7 percent) and less likely to have been arrested for anything since their 16th birthday (19.9 versus 25.2 percent). There was evidence, however, that many of those *not* employed full time were trying to advance themselves. For example, 35.2 percent were enrolled in an education or training program at the

Figure 3.1

The New Hope Project

Earnings Patterns for the New Hope Sample in the Year Before Random Assignment, by Full-Time Employment Status at Random Assignment



SOURCE: MDRC calculations using data from Wisconsin unemployment insurance (UI) records.

time they applied to New Hope compared with 24.6 percent of those employed full time.

A Private Opinion Survey, completed voluntarily by about four-fifths of the sample at random assignment, provided some additional evidence that the subgroup employed full time had fewer barriers to work than the subgroup not employed full time. For instance, when asked to talk about difficulties they had experienced while working, 14 percent of those employed full time said that family responsibilities interfered with the job, and 6 percent said that they received "too little help on the job to tell what to do and what not to do." The figures were 29 percent and 11 percent, respectively, for the subgroup *not* employed full time. In a similar vein, 9 percent of those employed full time said that they had health problems limiting the type of work they could do compared with 17 percent of those not employed full-time. Nonetheless, the precarious economic circumstances of many members in both subgroups is made evident by the fact that roughly 20 percent said that they had been homeless at some point in their life.

The Private Opinion Survey asked several questions about sample members' level of interest in pursuing education or training in the future. Persons not employed full time expressed much stronger interest in such options than those employed full time. The option of greatest interest — expressed by 64 percent of the subgroup not employed full time — was in getting on-the-job training for up to three months in a type of work that they had not tried before. This suggests that New Hope's community service jobs (CSJs) would appeal to many members of this subgroup. Although New Hope did not provide GED classes or other educational programs, program staff encouraged participants who wanted a GED to take classes part time while working at least 30 hours per week. Twenty-nine percent of the sample members employed full time and 37 percent of those *not* employed full time expressed interest in this type of option.

IV. Use of New Hope Benefits and Services by Program Group Members

A. Use of Benefits and Services by the Full Sample

As discussed in Chapter 2, New Hope designers and staff set out to maximize program participation and receipt of services by participants who could benefit from them. However, by design, many participants did not have a need for, or access to, all benefits in every month. New Hope was designed to offer a "menu" of benefits from which participants could choose. Only those who worked at least 30 hours a week were eligible for earnings supplements. The same was true for New Hope's health plan and child care subsidies, with limited exceptions for people who temporarily lost jobs or experienced reductions in work hours. However, the CSJs were available as a fallback for people who needed work to meet the 30-hour requirement.

A second factor limiting benefit use was that three of the four primary benefits provided by New Hope (health insurance, child care, and CSJs) were useful only to a subset of program participants. Child care subsidies, for example, were available only to sample members with children aged 12 and under. Health insurance mainly benefited only participants who were not covered by employer-provided health insurance or Medicaid. CSJs served only those who were not employed full time and were unable to find full-time employment on their own.

A third factor limiting benefit use by New Hope participants was that the size of the New Hope earnings supplement shrank as household income grew. For example, in 1996 the earnings supplement for a family of four (one earner with three children) would drop from $168 to $98 when monthly earnings increased from $750 to $875. Simultaneously, copayments for child care and health insurance would rise, reducing the value of those benefits as well. All of this means that the more successful participants in terms of their employment outcomes and earnings received less monetary gain from New Hope's benefits and may have stopped receiving those benefits, particularly if they did not want to bother with reporting their wages monthly (which New Hope required).The patterns of benefit receipt presented in Table 3.2 reflect all these limitations on benefit use. The table shows use of earnings supplements, CSJs, health insurance, and child care subsidies for the first 24 months of sample members' eligibility for New Hope. It shows these participation measures for the entire program group and by full-time employment status at random assignment. All figures presented in this table were calculated using data from New Hope's client-tracking database.

The table shows that 79.2 percent of all program group members received at least one of the three New Hope financial benefits mentioned above and 32 percent ever worked in a CSJ. Almost all of these participants received at least one earnings supplement (78.0 percent of the entire program group). Health insurance and child care subsidies were used by fewer program group members (47.6 and 27.9 percent, respectively). (As discussed later in this chapter, many program group members received health insurance and child care from sources other than New Hope.)

Although health insurance and child care benefits were used by fewer program group members, these benefits were used for similar or longer periods of time than the earnings supplements. On average, those receiving an earnings supplement did so for 9.1 months, while those who used New Hope's health insurance benefits did so for only 8.7 months. Users of the child care subsidies received such assistance for 11.5 of the 24 months of follow-up. Table 3.2 also shows benefit use for the employment groups. As was the case with the program group, both employment groups used the child care benefit for a longer period of time than the other financial benefits (about 13 months for those employed full time and 11 months for those not employed full time at random assignment). Those not employed full time at random assignment used the earnings supplement, health insurance, and child care for shorter periods of time than those employed full time. This finding reflects the need for the former group to find and keep a full-time job, which they didn't have when they entered the program.

Other interesting breakdowns in Table 3.2 concern the dollar value of the benefits provided. The average earnings supplement was $125.90, but supplement amounts varied depending on income and household size. Figure 3.2 shows the distribution of the New Hope earnings supplement in a typical month (we used the 13th month after random assignment for this purpose). Studying this graph reveals that 24.6 percent of participants received $50 or less during that month, but 32.4 percent received more than $150. Those with lower incomes and larger families received the most substantial benefits. The vignette on page 74 provides a good example of a participant selecting benefits from the New Hope menu according to her needs at the time.[7]

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[7] Vignettes like this one, which appear in various places throughout this report, are based on ethnographic research conducted with a sample of 46 New Hope and control group families. This ethnographic research is described in detail in Appendix J.

Table 3.2

The New Hope Project

Use of Financial Benefits and CSJs by Program Group Members Within 24 Months After Random Assignment, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Employed Full Time	Not Employed Full Time
All households			
Ever used a New Hope financial benefit (%)			
Any type	79.2	92.2	73.0 ***
Earnings supplement	78.0	91.7	71.5 ***
Health insurance	47.6	63.3	40.1 ***
Child care	27.9	34.4	24.8 **
Ever worked in a CSJ (%)	32.0	20.2	37.7 ***
Sample size	*678*	*218*	*459*
Average number of months with a financial benefit for those who received it.			
Any type	10.8	13.2	9.3 ***
Earnings supplement	9.1	10.9	7.9 ***
Health insurance	8.7	10.4	7.4 ***
Child care	11.5	12.8	10.6 *
Among households that received earnings supplements.	N=529	N=200	N=328
Number of earnings supplements received (%)			***
1-6	41.6	34.0	46.3
7-12	28.9	25.0	31.1
13-18	20.2	22.0	19.2
19-24	9.3	19.0	3.4
Distribution of amount of monthly earnings supplements (%)			
$1-$50	23.2	29.7	17.9 ***
$51-$100	19.5	21.8	17.7
$101-$150	24.4	22.2	26.2
$151-$200	17.9	14.8	20.4 ***
$201 or more	15.0	11.6	17.8 ***
Average amount of monthly earnings supplement ($)	125.90	109.48	139.19 ***
Among households that used health insurance benefits.	N=323	N=138	N=184
Households using each type[a] (%)			
New Hope HMO health insurance	77.7	76.1	79.4
New Hope contribution toward employer's health insurance	35.6	39.9	32.1
Average New Hope HMO monthly amounts ($)			
Participant contribution	23.16	27.36	19.06 *
New Hope health insurance benefit	203.39	234.46	173.21 **
Total health insurance cost (contribution and benefit)	226.55	261.82	192.27 **
Average New Hope contribution toward employer's health insura	76.78	76.81	74.78
Among those using New Hope child care benefits.	N=184	N=70	N=111
Average monthly amounts ($)			
Participant contribution	65.67	67.78	64.50
New Hope child care benefit	685.53	727.11	658.63
Total child care cost (contribution and benefit)	751.20	794.89	723.13
Sample size	*537*	*201*	*335*

(continued)

Table 3.2 (continued)

SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

NOTES: New Hope financial benefits include earnings supplements, child care assistance, and health insurance.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

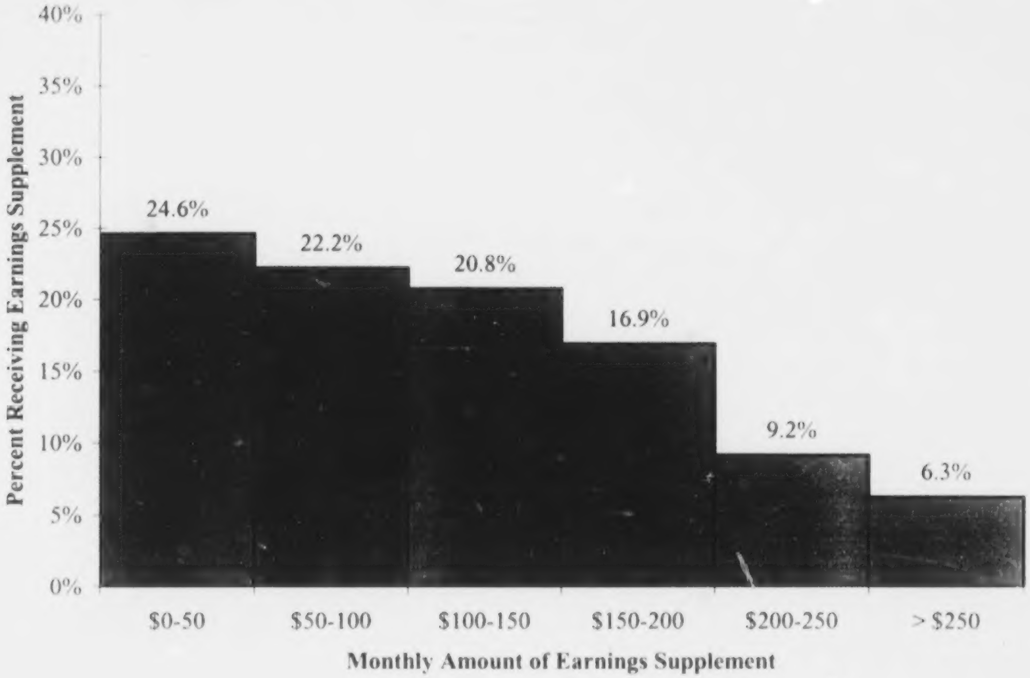
Sample sizes for the employment subgroups may not add to the full sample because of missing data.

Actual sample sizes for individual measures may vary as a result of missing data.

Distributions may not add to 100.0 percent because of rounding.

[a] Some households are in both categories because they may have been part of the New Hope HMO plan and then moved to an employer plan (or vice versa).

Figure 3.2
The New Hope Project
Distribution of Earnings Supplements in Month 13



SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

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Strategic Use of New Hope Benefits

Janet made selective use of earnings supplements while her income was low enough for it to be of value and used health care benefits when she needed them. Since she did not need a CSJ or child care, she did not elect to use them. Janet is a single mother who lives on the Southside of Milwaukee with her two young sons. She was involved in New Hope both as a participant and as a provider of child care to other New Hope participants. At the time she was selected for New Hope, she had just started doing day care as a business and did not have enough clients to make ends meet. Early on she used the earnings supplement, but before long she was earning enough money so that her supplement checks were only $6 a month. She used the New Hope medical benefits supplement for a year, and during that year she had her son's tonsils removed. The premiums were over $400 a month for her and her sons, so after the surgery was completed, she discontinued the care. She says she almost never takes her boys to the doctor. They are very healthy and her point of view is that paying so much money for a service she never uses is unreasonable.

Janet is self-employed; this is a career path that some New Hope parents used, and the need for health insurance and child care assistance is important for such families. Her premiums were unusually high because her income eventually rose above the 200 percent of poverty level cutoff for receiving New Hope benefits, and so she was offered the option to pay premiums at full cost. For most New Hope participants with two children (and with an income below 150 percent of poverty) premiums were between $29 and $70 or so a month.

B. Use of Benefits and Services by Employment Status at Random Assignment

Table 3.2 shows that use of program benefits was generally higher for program group members who were employed for 30 hours a week or more at random assignment. This was as expected, because those participants qualified for New Hope's benefits immediately and did not have to wait until they were able to find a full-time job. Also, the inherently greater work readiness of those working full time at random assignment made it easier for them to continue their eligibility for benefits by remaining employed full time throughout all or most of the follow-up period.

Among those not employed full time at random assignment, the 30-hour work requirement precluded a substantial number from receiving any New Hope benefits. Within the first 24 months of follow-up, 27.0 percent of this group did not receive any benefits compared with only 7.8 percent of those employed full time at random assignment. This happened in spite of the availability of CSJs for those unable to find full time work.

One participation measure favoring those not employed full time at random assignment was the *amount* of earnings supplements received by those who qualified for them. Those not employed full time at random assignment received a larger earnings supplement, probably because their average wages were lower; and thus they needed a larger supplement to raise their monthly income to the poverty level.

In Figure 3.3 two pie charts (one for each employment subgroup) summarize use of financial benefits (earnings supplements, child care assistance, and health insurance). For the purpose of this summary, benefit use is divided into five levels: no use, low use (1 to 6 months), moderately low use (7 to 12 months), moderately high use (13 to 18 months), and high use (19 to 24 months). Variation in participation patterns was substantial: 53.0 percent of those employed full time at random assignment used benefits at a high or moderately high level, and, as mentioned before, about 8 percent did not use benefits at all. In the other group, 27.0 percent did not use benefits. And among those who did use them, most used them for 12 months or less. The pie charts show that use of benefits for many participants was intermittent. It may be that some participants relied on New Hope mainly as a "safety net" when their circumstances warranted it. Some participants may not have understood what benefits they were eligible for or, for whatever reason, not have taken the steps necessary to receive benefits on a consistent basis.

Figure 3.4 shows how benefit use varied over time. By showing the two employment subgroups separately, the figure illustrates how those not employed full time at random assignment took longer to take up program benefits and were less likely to receive them throughout most of the follow-up period. To some extent, this reflects the way New Hope benefits were designed. Persons employed full time when they entered the program could begin receiving financial benefits immediately, while those not employed full time had to conduct an eight-week job search before they could be referred to a CSJ, placement in which might make them eligible for other benefits. The fact that benefit receipt grew over time also suggests that it took some time for program staff to establish relationships with many participants and for some participants to understand — or feel comfortable with — the procedures for accessing benefits.

C. Reasons for Nonparticipation

The two-year survey asked New Hope program group members who did use some or all of the program services available to them several open-ended questions about their experiences. Following are summaries of some of their answers.

- **Use of existing arrangements.** Some survey respondents explained that they were happy with an arrangement they had when they came into New Hope, and therefore did not seek a particular New Hope financial benefit. This appeared to be the case for some participants with regard to their child care arrangements. Others said that they did not want to go through the hassle of having their existing child care provider get the licensing that New Hope required in order to qualify to receive child care assistance through New Hope.

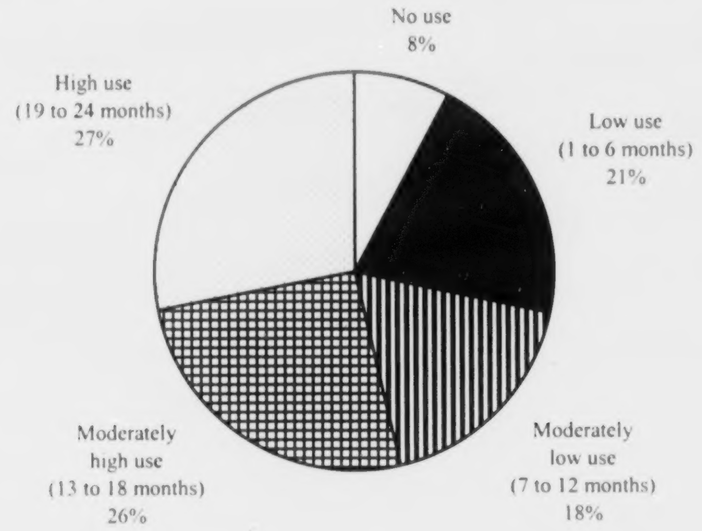
- **Levels of engagement.** There was much variation in the levels of engagement of New Hope participants. While some participants found that learning about and utilizing New Hope financial benefits was a natural step after the orientation sessions, others disengaged from the program at an early point in the three-year period. Among those already employed full time at random assignment, some cited reasons ranging from working six days a week, having a job that takes up a lot of time already, and not being available to interact with

Figure 3.3

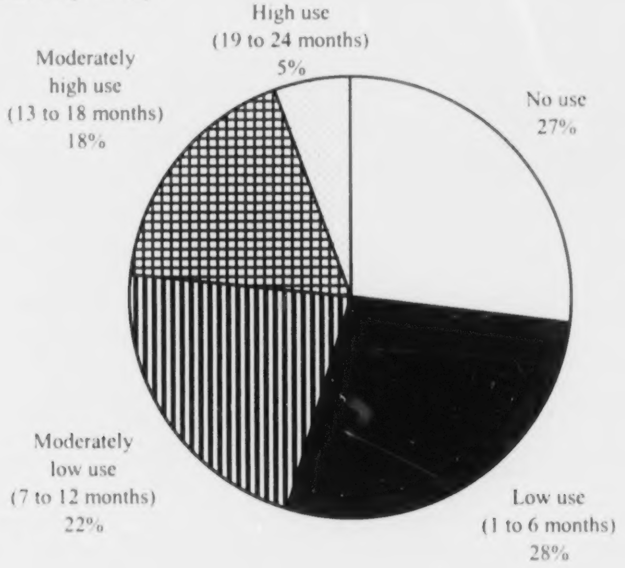
The New Hope Project

Financial Benefit Use for Program Group Members Within 24 Months After Random Assignment, by Full-Time Employment Status at Random Assignment

Employed Full Time (N=218)



Not Employed Full Time (N=459)



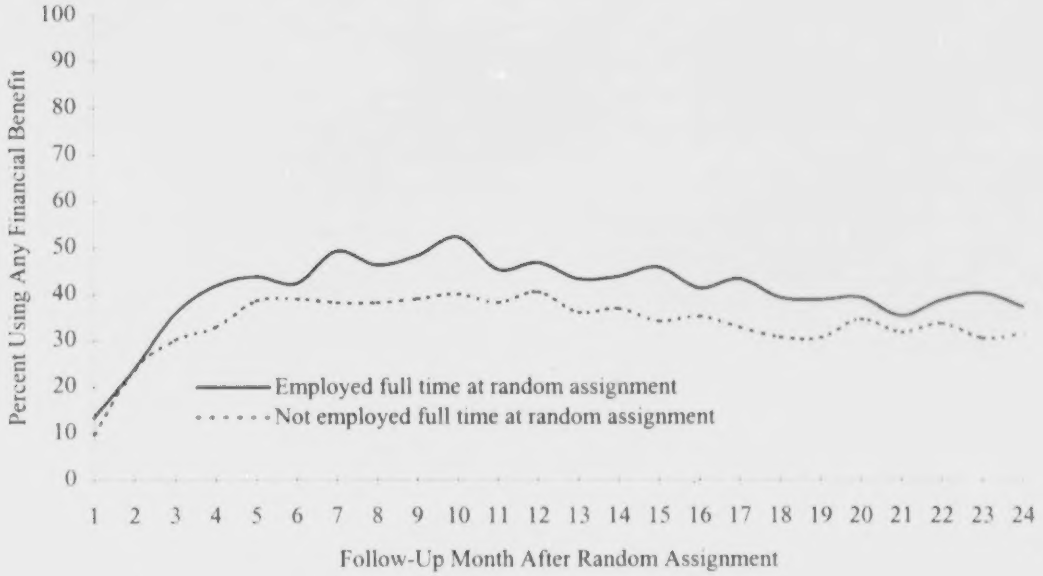
SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

NOTES: New Hope financial benefits include earnings supplements, child care assistance, and health insurance. Sample sizes for the employment subgroups may not add up to the full sample because of missing data.

Figure 3.4

The New Hope Project

Percentage of Program Group Members Using Any New Hope Financial Benefit in Follow-Up Months 1-24, by Full-Time Employment Status at Random Assignment



SOURCE: MDRC calculations using the New Hope Project's MIS client-tracking database.

NOTE: New Hope financial benefits include earnings supplements, child care assistance, and health insurance.

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New Hope program staff on days that the offices were open to not wanting to lean on anyone. Other participants reported that they were not contacted by New Hope program staff after they were selected to participate, so they decided not to pursue working with New Hope.

- **Responding to New Hope's flexibility.** New Hope benefits were designed to provide options to participants in how they chose to combine New Hope benefits and apply them to their own needs and circumstances. A number of participants reported that when they were first introduced to New Hope, they took advantage of the earnings supplement and New Hope health insurance, but as their needs changed, or their family grew, they were not aware that they could apply for a CSJ or sign up for New Hope child care assistance. Thus, not all participants applied the flexibility of the New Hope offer to their own changing needs and circumstances and continued using the same financial benefits they used when they started in New Hope. The open-ended responses indicated that participants often did not take advantage of the CSJs when they lost their job and became ineligible to receive financial benefits.

Who Received No New Hope Financial Benefits?

About 20 percent of sample members did not receive a New Hope financial benefit during their first two years of program eligibility. Many of these sample members may have moved out of Milwaukee or lost contact with the program in some other way. Others may have decided that they did not need New Hope's offer after all or found that they earned too much money to qualify for benefits.

Appendix Table L3.1 compares program group members who received at least one New Hope financial benefit in the two-year follow-up period with those who received none.[1] In summary, those who never received a financial benefit were significantly more likely to be Hispanic, to live on the Southside, and to have no children. Those who received no financial benefits were also more likely to have limited full-time work experience and prior earnings and to receive public assistance. Fewer of these sample members had a high school diploma, but more were enrolled in education or training at the time of their application to New Hope, possibly limiting their ability or willingness to seek full-time employment at that time. More of these sample members expressed a preference for on-the-job training so that they might ". . . learn more about what it is like to work."

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[1] Appendix L consists of auxiliary tables for material in Chapters 3 through 7. Each table is labeled to indicate first, that it is in Appendix L; second, the chapter that first makes reference to it; and third, the number of the table. For example, Appendix Table L3.1 refers to the first appendix table referenced in Chapter 3.

- **Contact with project reps and case reassignments.** A number of responses indicated participant frustration with the contact they had with project reps or, more often, the confusion created by case reassignments and the establishment of a second New Hope office on the Southside of Milwaukee. In an effort to serve participants better, New Hope had offices in both the Northside and Southside neighborhoods. While this strategy was adopted to better serve the New Hope participant population, a number of responses hinted that the case reassignments associated with this move and staff turnover at the project rep level contributed to some participants' loss of confidence in the program as a whole.

Most of these responses are consistent with the earlier New Hope report,[8] which identified some confusion among program group members about their eligibility for the full complement of New Hope benefits. This reflects the difficulties among New Hope staff in explaining the program offer. These responses also suggest that case reassignments and caseload rearrangements may have resulted in some participants' losing momentum in a program in which they had not yet fully engaged. The delivery of benefits and services within New Hope was an evolutionary process and the learning curve was fairly high for all staff, and for project reps in particular. If a participant never got very engaged in New Hope to begin with, then a certain degree of nonparticipation seems inevitable, especially given the complexity of the New Hope offer. At the same time, the perception that New Hope could not help some participants may point to a sense among some participants that there may have been circumstances in their life that outweighed New Hope's ability to help them. As described in the earlier report, many people who applied to New Hope during the recruitment process indicated that their lives were in transition. In many cases these transitions were enhanced and facilitated by the New Hope offer, but in other cases New Hope program group members may have decided that it was not what they needed.

V. The Child and Family Study Sample: Characteristics and Benefit Use

As noted in Chapter 1, one objective of the evaluation is to determine whether New Hope had positive effects on families with children. A special sample, labeled the Child and Family Study (CFS) sample, was identified for the purpose of examining New Hope's effects on families and children. (Chapters 6 and 7 present program effects on child and family outcomes for this sample.) This section introduces the CFS sample and briefly discusses its characteristics and levels of benefit use.

A. Background Characteristics of the Child and Family Study Sample

The CFS sample is made up of those members of the full sample who had at least one child between ages 1 and 10 (12 to 131 months) at random assignment. All racial and ethnic groups are represented in the CFS subgroup except for Asians and Pacific Islanders, who were excluded owing to concerns about the cultural appropriateness of the measures used to assess child and family outcomes. (Most of the Asians and Pacific Islanders in the sample were recent Hmong immigrants from Laos and Cambodia.) Table 3.3 shows the characteristics of the CFS

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[8] Brock et al., 1997.

Table 3.3

The New Hope Project

Selected Characteristics, Opinions, and Employment History of the New Hope Full Sample, by Status in the Child and Family Study (CFS) at Random Assignment

Sample and Characteristic by Measure	Full Sample	CFS[a]	Non-CFS
Selected Characteristics from Background Information Form			
Demographic characteristic			
Gender (%)			***
Female	71.6	89.8	49.5
Male	28.4	10.2	50.5
Age (%)			***
18-19	6.3	4.7	8.2
20-24	22.3	27.0	16.5
25-34	39.1	49.0	27.1
35-44	24.5	17.3	33.2
45-54	5.5	1.6	10.3
55 or over	2.4	-	4.7
Average age	31.8	29.4	34.6 ***
Race/ethnicity (%)			***
African-American, non-Hispanic	51.4	55.0	46.9
Hispanic	26.5	29.3	23.0
White, non-Hispanic	13.0	12.5	13.6
Asian/Pacific Islander	5.8	-	12.9
Native American/Alaskan Native	3.4	3.2	3.6
Resides in neighborhood (%)			**
Northside	51.0	48.6	53.9
Southside	49.0	51.4	46.1
Household status			
Shares household with[b] (%)			
Spouse	11.9	10.2	13.9 **
Girlfriend/boyfriend	7.1	6.3	8.2
Children (own or partner's)	70.3	95.3	39.9 ***
Others	24.0	16.5	33.2 ***
Lives alone (%)	11.8	-	25.3 n/a
Marital status (%)			**
Never married	59.8	62.2	57.0
Married, living with spouse	12.2	10.5	14.4
Married, living apart	9.6	10.3	8.7
Separated, divorced, or widowed	18.3	17.0	19.9
Number of children in household[c] (%)			***
None	29.0	-	64.2
1	20.3	25.4	14.2
2	19.2	28.7	7.7
3 or more	31.5	45.9	13.9
Among households with children,			
Age of youngest child[d] (%)			***
2 or under	46.4	48.3	39.7
3-5	24.0	28.9	7.3
6 or over	29.7	22.8	53.0

(continued)

Table 3.3 (continued)

Sample and Characteristic by Measure	Full Sample	CFS[a]	Non-CFS
For CFS households, age of child[c] (%)			***
1-3 (12-47 months)	59.0	58.9	80.6
4-10 (48-131 months)	72.0	71.9	77.6
Household has second potential wage earner (%)	12.8	11.0	15.0 **
Labor force status			
Ever employed (%)	94.7	94.1	95.4
Ever employed full time (%)	84.9	82.0	88.4 ***
For longest full-time job, among those ever employed full time, (N=1,151)			
Average length of job (months)	37.2	31.3	43.9 ***
Benefits provided (%)			
Paid vacation	50.5	44.5	57.2 ***
Paid sick leave	38.1	33.9	43.0 ***
Medical coverage (individual)	29.7	24.2	35.9 ***
Medical coverage (family)	27.6	27.3	28.0
Coverage by a union	13.6	10.3	17.4 ***
Pension/retirement	20.1	16.5	24.1 ***
Child care	1.5	1.5	1.5
Tuition reimbursement	7.7	8.2	7.2
Approximate earnings in past 12 months (%)			***
None	31.2	36.4	24.8
$1-999	15.8	16.4	15.0
$1,000-4,999	25.2	23.5	27.3
$5,000-9,999	16.7	13.8	20.3
$10,000-14,999	7.8	6.7	9.2
$15,000 or above	3.3	3.2	3.4
Current employment status (%)			**
Employed	37.5	36.5	38.7
Not employed	55.1	57.7	52.0
Missing	7.4	5.8	9.3
Among those currently employed,			
Average hourly wage ($)	6.36	6.43	6.29
Average hours worked per week (%)			
1-29	23.7	22.1	25.5
30 or more	76.3	77.9	74.5
Public assistance status			
Currently receiving AFDC, General Assistance, Food Stamps, or Medicaid (%)			
Any type	62.9	80.7	41.2 ***
AFDC	46.0	69.4	17.5 ***
General Assistance	5.4	-	10.8 n/a
Food Stamps	57.5	76.1	34.8 ***
Medicaid	51.6	74.9	23.2 ***
Total prior AFDC/GA cash assistance[f] (%)			***
None	25.1	13.8	38.9
Less than 2 years	29.5	26.9	32.7
2 years or more but less than 5 years	19.7	26.1	11.8
5 years or more	25.7	33.2	16.6
Resided as a child in a household receiving AFDC (%)	36.5	43.4	28.1 ***

(continued)

Table 3.3 (continued)

Sample and Characteristic by Measure	Full Sample	CFS[a]	Non-CFS
Educational status			
Received high school diploma or GED[g] (%)	57.3	59.5	54.7
Highest grade completed in school (average)	10.8	11.1	10.3 ***
Currently enrolled in any type of education or training (%)	31.9	36.1	26.8 ***
Other factors related to obtaining/retaining employment			
Have access to a car (%)	41.5	44.1	38.3 **
Ever arrested for anything since 16th birthday (%)	23.5	19.7	28.2 ***
Number of moves in past 2 years (%)			**
None	30.3	28.7	32.2
1	30.0	29.1	31.1
2 or more	35.2	38.4	31.2
Missing	4.6	3.8	5.6
Sample size	*1,357*	*745*	*612*
Opinions and Employment History from Private Opinion Survey			
Client-reported employment history			
Number of full time jobs (30 hours or more a week) held in past 5 years (%)			*
None	19.3	21.9	16.2
1	31.0	28.3	34.2
2 or 3	36.2	37.9	34.2
4 or more	13.5	11.9	15.4
When unemployed, length of time it took to find new work (%)			*
1 month or less	32.0	30.1	34.2
2-6 months	38.5	36.3	41.1
More than 6 months	12.5	14.0	11.0
Don't know	16.9	19.7	13.8
Client-reported situations that affect employment			
Those who reported health problems that limit the type of work they can do (%)	14.3	11.0	18.1 ***
Those who have: (%)			
Ever been evicted from an apartment or house over the past 10 years	17.5	22.0	12.2 ***
Ever been homeless	21.5	19.8	23.4
Ever quit a job	60.0	61.7	58.0
Client-reported education and training preferences			
Those who agreed a lot that they wanted to: (%)			
Go to school part time to study basic reading and math	33.1	31.4	35.1
Go to school part time to get a GED	34.4	32.3	37.0
Get on-the-job training for 1-3 months in a type of work that they have not tried before	59.0	57.4	60.9
Get on-the-job training so that they would know what it is like to work	51.9	52.4	51.3
Sample size	*1,079*	*579*	*500*

(continued)

Table 3.3 (continued)

SOURCES: MDRC calculations from Background Information Forms (BIFS) for 1,357 sample members randomly assigned from August 1994 through December 1995. Five additional sample members who were missing these forms were excluded from the sample. MDRC calculations from Private Opinion Survey (POS) data for sample members randomly assigned from August 1994 through December 1995. The POS questions were voluntarily answered by 1,079 sample members (79 percent) just prior to random assignment.

NOTES: Except for two BIF items, the nonresponse rate for all specific characteristics was less than 1 percent and therefore these missings were excluded from the calculations. For the two characteristics, for which the nonresponse rate ranged from 5 to 7 percent for the full sample, the nonresponses are shown in the table as missings. Among the 1,079 POS responders, missings for individual questions ranged from 0 to 14 percent.

Distributions may not add to 100.0 percent because of rounding.

Dashes indicate that the sample size is under 10; therefore calculations were omitted.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

A t-test or chi-square test was applied to differences between the characteristics of the last two columns to assess whether apparent differences in these characteristic were statistically significant. When several rows in the table describe the same underlying characteristic (that is, are not independent of one another), a single test must be used. The result of this test (p-value or asterisks) is shown on the line describing the characteristic.

N/a = not applicable.

[a] The sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child in the 1 to 10 age range at the time of random assignment.

[b] Because some sample members may be in more than one category, totals may not equal all categories summed.

[c] Includes all dependents under age 18.

[d] Includes all dependents under age 18.

[e] Some CFS households have children in both categories.

[f] This refers to the total number of months accumulated from at least one spell on an individual's own AFDC or GA case or the case of another adult in the household.

[g] The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

sample of 745 parents, along with the remaining 612 New Hope sample members who were not in the Child and Family Study.

The CFS sample is distinguished from the rest of the sample in largely predictable ways. For instance, 95.3 percent of the CFS sample members reported that they shared a household with their own or their partner's children.[9] By comparison, only 39.9 percent of the non-CFS sample members did so. CFS sample members also had larger numbers of children and were more likely to have preschool-age children in their household than non-CFS sample members. The CFS sample was about 90 percent female. In contrast, the non-CFS sample was about 50 percent female. The average age of a CFS sample member was 29; the average age of a non-CFS sample member was 35.

CFS subgroup members were just as likely to have had employment experience as non-CFS subgroup members, although they were *less* likely to have been employed full time. CFS sample members who did have full-time work experience worked fewer months (31.3 versus 43.9) than non-CFS sample members and were less likely to have had benefits such as paid vacation, paid sick leave, or medical coverage in their longest-lasting job. In addition, CFS sample members were less likely to have had any earnings in the 12 months prior to random assignment and twice as likely to have received any type of public assistance. Finally, CFS sample members were more likely than non-CFS sample members to have grown up in a household that received AFDC.

Despite their lower level of work experience and higher level of public assistance use, CFS sample members may have had some advantages over their non-CFS counterparts in finding and holding a job. For instance, the average CFS sample member completed about one more year of school than the average non-CFS sample member. A significantly larger percentage of the CFS sample reported having access to a car, and a significantly smaller percentage reported being arrested for anything since their 16th birthday. On the Private Opinion Survey, a smaller percentage of CFS sample members said that they had health problems that limited the type of work that they could do. (This may be related to the younger age of CFS sample members compared with their non-CFS counterparts.) There were no significant differences between the CFS and non-CFS samples in their reported interest in going to school part time or getting on-the-job training, although a higher percentage of the CFS sample was enrolled in education or training at the time of random assignment.

B. Benefit Use Among Child and Family Study Sample Members

Table 3.4 compares benefit use for the CFS and non-CFS samples. The table shows that CFS households had somewhat higher levels of benefit use: 80.9 percent used *any* type of New Hope financial benefit compared with 77.2 percent of non-CFS households. As expected, level of child care use was substantially higher for those in the CFS sample than for other New Hope participants. Almost half of all CFS households used New Hope's child care subsidies for at least one follow-up month. They did not use health insurance at higher levels than non-CFS households. However, the amount paid for health insurance was much higher for the CFS sample, reflecting the larger household size of CFS families.

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[9] The remaining 5 percent of the CFS sample had caretaking responsibilities for children other than their own or their partner's, which could include grandchildren or children of other relatives.

Table 3.4

The New Hope Project

Use of Financial Benefits and CSJs by Program Group Members Within 24 Months After Random Assignment, by Status in the Child and Family Study (CFS)

Outcome	Program Group	CFS[a]	Non-CFS
All households			
Ever used a New Hope financial benefit (%)			
Any type	79.2	80.9	77.2
Earnings supplement	78.0	79.2	76.6
Health insurance	47.6	39.9	56.7 ***
Child care	27.9	46.7	5.8 ***
Ever worked in a CSJ (%)	32.0	32.0	32.1
Sample size	*678*	*366*	*312*
Average number of months with a financial benefit for those who received it,			
Any type	10.8	11.2	10.2 **
Earnings supplement	9.1	9.3	8.8
Health insurance	8.7	9.1	8.3 **
Child care	11.5	11.6	9.9
Among households that received earnings supplements,	N=529	N=290	N=239
Number of earnings supplements received (%)			**
1-6	41.6	43.1	39.8
7-12	28.9	24.1	34.7
13-18	20.2	22.8	17.2
19-24	9.3	10.0	8.4
Distribution of amount of monthly earnings supplements (%)			
\$1-\$50	23.2	28.0	17.1 ***
\$51-\$100	19.5	17.9	21.5
\$101-\$150	24.4	21.9	27.5 ***
\$151-\$200	17.9	13.8	23.0 ***
\$201 or more	15.0	18.2	10.9 ***
Average amount of monthly earnings supplement (\$)	125.90	126.18	125.55
Among households that used health insurance benefits,	N=323	N=146	N=177
Households using each type (%)[a]			
New Hope HMO health insurance	77.7	68.5	85.3 ***
New Hope contribution toward employer's health insurance	35.6	44.5	28.3 ***
Average New Hope HMO monthly amounts (\$)			
Participant contribution	23.16	30.69	18.03 ***
New Hope health insurance benefit	203.39	281.12	152.50 ***
Total health insurance cost (contribution and benefit)	226.55	311.81	170.53 ***
Average New Hope contribution toward employer's health insurance	76.78	84.00	63.16
Among those using New Hope child care benefits,	N=184	N=163	N=18
Average monthly amounts (\$)			
Participant contribution	65.67	66.40	60.69
New Hope child care benefit	685.53	688.96	678.58
Total child care cost (contribution and benefit)	751.20	755.36	739.27
Sample size	*537*	*296*	*241*

(continued)

Table 3.4 (continued)

SOURCE: MDRC calculations using the New Hope Project MIS client-tracking database.

NOTES: New Hope financial benefits include earnings supplements, child care assistance, and health insurance.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

Distributions may not add to 100.0 percent because of rounding.

[a] The sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child in the 1 to 10 age range at the time of random assignment.

[b] Some households are in both categories because they may have been part of the New Hope HMO plan and then moved to an employer plan (or vice versa).

Table 3.4 also shows that CFS program group members used New Hope financial benefits for longer periods of time than non-CFS participants. Program group members in the CFS used any New Hope benefit for 11.2 months, on average, and health insurance for 9.1 months compared to 10.2 months and 8.3 months, respectively, for non-CFS participants.

VI. Comparing the Use of Benefits and Services by Program and Control Group Members

A. Use of Benefits and Services Like Those Provided by New Hope

Some of the services and benefits available to New Hope participants were also provided in the larger community outside the New Hope program. (See Table 2.4 and accompanying text for a summary.) This means that controls (and program group members who did not participate in New Hope) could access those services. In previous sections we described the receipt of New Hope benefits by program group members, but the real difference made by the New Hope program is defined by the *increase* in benefits and services received over and above those available outside the program. Table 3.5 describes this increase in benefit and service receipt by comparing their use by program and control group members.

Two points must be kept in mind when reading this table. First, the program effects shown are based on a different data source than findings shown earlier in the chapter. Those were based on New Hope program data, but such data do not capture use of comparable services by controls. Therefore, the findings presented in Table 3.5 use data from the two-year follow-up survey, which was administered to New Hope participants and controls alike. In some cases, the findings may appear to be inconsistent with those shown in earlier tables. Reasons for such discrepancies include different time frames for the measures, a slightly different sample (excluding survey nonrespondents), and respondent error.

Second, Table 3.5 is the first table in the report showing true experimental program effects. These effects (also referred to as "impacts") are calculated using a simple statistical procedure that relies on the integrity of random assignment to derive program effects, but also adjusts these effects for minor differences in the characteristics of program group members and controls.[10] A detailed explanation of how to interpret such a table is provided in the box on page 90. From this point on, all tables showing program effects will follow the same general format.

Table 3.5 shows program effects on benefit and service receipt for the full sample and for each of the two employment subgroups introduced earlier in this chapter. The first outcome reported is receipt of the New Hope earnings supplement, which was not available to members of the control group. As discussed earlier, 73.5 percent of program group members received such a supplement and those who were employed full time at random assignment were more likely to receive it than those who were not. Next, the table shows that New Hope substantially increased the number of sample members who had access to health insurance during the follow-up period.

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[10] See Appendix E for details.

Table 3.5

The New Hope Project

Use of Benefits and Services by the Full Sample Within 24 Months After Random Assignment, by Full-Time Employment Status at Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Full Sample							
In the past 24 months, ever received: (%)							
Earnings supplement[c]	73.5	n/a	n/a	n/a	n/a	n/a	
Health insurance, any type	87.1	74.0	13.1 ***	0.000	17.7	0.33	
New Hope plan	41.6	n/a	n/a	n/a	n/a	n/a	
Medicaid[d]	46.1	51.3	-5.2 *	0.059	-10.2	-0.10	
Employer plan[e]	34.3	35.4	-1.2	0.677	-3.3	-0.02	
Child care assistance, any type	41.4	27.4	14.1 ***	0.000	56.5	0.30	
New Hope subsidy	29.4	n/a	n/a	n/a	n/a	n/a	
Welfare department subsidy	12.9	34.3	-21.4 ***	0.000	-62.4	-0.50	
Other subsidy[f]	0.9	0.4	0.5	0.513	120.5	0.06	
Paid community service jobs (CSJs)[g]	31.5	n/a	n/a	n/a	n/a	n/a	
Sample size	*553*	*531*					
Employed Full Time at Random Assignment							
In the past 24 months, ever received: (%)							
Earnings supplement[c]	81.7	n/a	n/a	n/a	n/a	n/a	n/a
Health insurance, any type	91.5	82.7	8.7 **	0.014	10.6	0.22	0.151
New Hope plan	55.9	n/a	n/a	n/a	n/a	n/a	n/a
Medicaid[d]	37.7	44.8	-7.1	0.162	-15.8	-0.14	0.575
Employer plan[e]	37.3	53.5	-16.1 ***	0.002	-30.2	-0.34	0.001 †††
Child care assistance, any type	45.7	18.5	27.2 ***	0.000	147.2	0.57	0.001 †††
New Hope subsidy	34.4	n/a	n/a	n/a	n/a	n/a	n/a
Welfare department subsidy	10.6	21.3	-10.7 **	0.026	-50.2	-0.25	0.009 †††
Other subsidy[f]	-0.1	1.3	-1.5	0.237	-107.7	-0.18	0.053 †
Paid community service jobs (CSJs)[g]	18.9	n/a	n/a	n/a	n/a	n/a	n/a
Sample size	*187*	*162*					

(continued)

Table 3.5 (continued)

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact[a]	Effect Size[a]	P-Value for Difference Between Panels[b]
			Not Employed Full Time at Random Assignment				
In the past 24 months, ever received: (%)							
Earnings supplement[c]	69.2	n/a	n/a	n/a	n/a	n/a	
Health insurance, any type	85.0	69.7	15.3 ***	0.000	21.9	0.39	
New Hope plan	34.1	n/a	n/a	n/a	n/a	n/a	
Medicaid[d]	50.3	54.0	-3.7	0.266	-6.8	-0.07	
Employer plan[e]	32.4	27.3	5.1	0.130	18.8	0.11	
Child care assistance, any type	39.0	32.2	6.8 *	0.091	21.1	0.14	
New Hope subsidy	26.9	n/a	n/a	n/a	n/a	n/a	
Welfare department subsidy	14.2	41.5	-27.3 ***	0.000	-65.8	-0.64	
Other subsidy[f]	1.5	-0.1	1.61	0.112	-1610.8	0.20	
Paid community service jobs (CSJs)[g]	38.0	n/a	n/a	n/a	n/a	n/a	
Sample size	*365*	*367*					

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Sample sizes for the employment subgroups may not add to the full sample because of missing data.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

[a] The effect size is the difference between program and control group oucomes expressed as a proportion of the standard deviation of the oucome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Question on earnings supplements asked only of New Hope program group. No comparable benefit existed outside New Hope.

[d] Question on Medicaid coverage includes spouse/partner and children.

[e] Coverage under employer plan applies to current or most recent job since random assignment. This question was asked only if respondent was currently employed at the time of the survey or in the past month.

[f] Examples include subsidies from other community-based organizations or the school system. It does not include financial help from family members.

[g] Question on paid CSJs asked only of New Hope program group. No comparable benefit existed outside New Hope.

How to Read an Impact Table

Table 3.5 is the first in a series of tables featuring program-control group differences for separate subgroups of participants. These differences constitute our estimates of New Hope's program effects and are also referred to as "impacts" throughout the report. In addition to estimates of these program effects, each table contains a great deal of information about the significance of these effects, how to interpret their size, and how they compare with other program effects. Not all of this information will be of use to all readers, but all should be able to find what they need in these tables. Here is a column-by-column discussion of the features of a typical impact table in this report:

1. The first three columns ("Program Group," "Control Group," and "Difference") tell the basic impact story. They show the outcome levels for program and control group members and the difference between these levels, which is our estimate of the program effect. The unit in which these impacts are expressed is shown in the table stub. It is usually either a percentage or a dollar amount, but other units are used as well.

2. Statistical tests are conducted to assess whether the differences shown in the third column are statistically significant. The results of these tests are indicated by adding asterisks to the differences. No asterisks means that the difference is statistically indistinguishable from zero. (The probability that the difference is only the result of random chance is 10 percent or greater.) Three asterisks indicate the highest level of statistical significance: the chance of a difference that is really zero is less than 1 percent. Two asterisks mean that this chance is between 1 and 5 percent, and one asterisk means that it is between 5 and 10 percent.

3. The fourth column shows the p-value for difference. This is the exact probability that the impact is really the result of random chance. It is useful to refer to the p-value for impacts that are marginally statistically significant, which often happens when sample sizes are small. For example, the impact on Medicaid receipt shown in the second panel of Table 3.5 was not statistically significant, but the probability of an entirely random difference was only 0.162.

4. The fifth column shows the percentage impact. This is the difference expressed as a percentage of the control mean. These numbers are useful to compare impacts that are based on different units (such as dollars and hours of work) and impacts across outcomes with very different means (like monthly and quarterly earnings).

(continued)

(continued)

5. The sixth column shows the effect size. This is the impact divided by the full sample standard deviation for the outcome. Effect sizes are widely used to compare effects across different programs and across different outcome areas. Researchers like to make statements about the "absolute" size of effects based on these effect sizes. As a rule of thumb, effect sizes of 0.1, 0.3, and 0.5 are considered small, medium, and large, respectively. However, generally it is believed that effect sizes for mediating outcomes (for example, participation, attitudes, goals) need to be larger to be meaningful than effect sizes for "final" outcomes (for example, income, graduation, school progress). For a detailed (and classic) discussion of effect sizes, see Cohen, 1988, pp. 531-553.

6. The final column of Table 3.5, and other tables that feature multiple subgroups, shows the results of a test that assesses whether the variation in impacts across the subgroups shown is statistically significant. In other words, was the effect on access to health insurance for those not employed full time at random assignment significantly larger than the impact for those who were employed full time? The p-value of 0.151 for this outcome (the last column in each of the panels) indicates that there was a 15.1 percent chance that the 8.7 percent gain for those employed full time and the 15.3 percent gain for those not employed full time were really the same impact. The lack of daggers indicates that both subgroups experienced essentially the same impact on this outcome.

Among participants, 87.1 percent reported any use of health insurance compared with 74.0 percent of controls. Thus, the difference, 13.1 percent, reduces by half the proportion of sample members who would have been uninsured for the entire 24-month follow-up period. Nonetheless, only 41.6 percent of all program group members who had any health insurance used the health plan offered by New Hope, as many had access to other forms of health insurance.

New Hope only marginally reduced the use of other forms of health insurance. About half of all sample members were ever on Medicaid during the follow-up period, and New Hope reduced this proportion from 51.3 to 46.1 percent. About a third of both groups had access to employer-provided health insurance, and New Hope did not significantly change the number of sample members who ever used such health insurance.

Another substantial program effect concerns the use of child care assistance. New Hope program group members were significantly more likely to use such assistance than their control group counterparts. The program increased the proportion of sample members using child care assistance from 27.7 to 41.4 percent. It not only increased the use of any such assistance, but also significantly reduced sample members' reliance on child care assistance provided by the welfare department. While 34.3 percent of controls used child care assistance provided through the welfare department, only 12.9 percent of program group members did so. It is important to note that nearly all of the child care assistance available through the welfare department was for AFDC and Food Stamp recipients who were assigned to mandatory work, education, or training activities as a condition of their grant.

Finally, New Hope program group members had access to subsidized employment in the form of CSJs. Like the earnings supplement, this service was not available to controls.[11] As mentioned earlier, 31.5 of all program group members ever worked in a CSJ.

Table 3.5 also shows that New Hope's program effects on benefit receipt varied significantly across the two employment subgroups. New Hope increased access to health insurance for both of these subgroups, although this effect was somewhat larger for those not employed full time at random assignment. This may seem counterintuitive, as the other group was more likely to receive New Hope health insurance benefits. However, controls who were employed full time at random assignment had more access to employer-provided health insurance, at least as measured with respect to their last reported job on the two-year follow-up survey. This means that New Hope filled a greater void for sample members in the other subgroup, who were less likely to receive health insurance from their employers and had fewer options to find affordable health insurance on their own.

Program effects on child care assistance were stronger for those employed full time at random assignment. In this case, the differences across the two employment subgroups reflect greater access to alternative sources of child care subsidies among those not employed full time at random assignment: 41.5 percent of controls in this group received such help from the welfare department, compared with only 14.2 percent of program group members. (Once again, almost all of the welfare department's child care subsidies were tied to mandatory work, education, and training, activities for AFDC and Food Stamp recipients.) For those not employed full time, New Hope's effect on all child care assistance combined was only an increase of 6.8 percentage points, barely a statistically significant effect ($p = 0.091$). In contrast, New Hope increased use of child care subsidies by those who *were* employed full time from 18.5 to 45.7 percent, a substantial effect of 27.2 percentage points (as confirmed by an effect size of 0.57).

As discussed earlier, use of New Hope program benefits was more extensive among those in the Child and Family Study (CFS) sample than among other New Hope sample members. However, this did not translate into substantially larger program effects on service receipt (figures shown in Appendix Table L3.2). While program group members in the CFS used more health insurance and child care subsidies, controls were more likely to find these services on their own: 67.4 percent of CFS controls used Medicaid at some point during the follow-up period and 41.4 percent received a child care subsidy from the welfare department. Overall, New Hope increased the proportion of the CFS sample with access to health insurance from 85.5 percent for CFS controls to 93.5 percent for program group members and increased use of any child care assistance from 41.0 to 59.4 percent.

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[11] As discussed earlier in this report, the Wisconsin Works (W-2) program — which began in September 1997 — provides subsidized work experience positions to families in need. Also, these W-2 jobs do not pay a wage, but rather provide a flat monthly grant that is contingent on work participation. (See Table 2.4 for a brief description.) Instead, welfare recipients who use these work experience positions are allowed to keep their welfare grants, which are reduced if they refuse to participate in these jobs or when they do not work the required number of hours.

B. Use of Other Forms of Public Assistance

In addition to the benefits and services provided by New Hope, program participants and controls had access to a number of different public assistance programs designed to supplement the income of low-income people and help them meet necessary expenses for food, housing, and heating. As New Hope provided its participants with an earnings supplement and other benefits, one might expect the program to reduce sample members' reliance on these other programs. On the other hand, these programs may attenuate the effects of New Hope on family income and well-being, as controls may use these benefits in place of those provided by New Hope.

Impacts on receipt of AFDC and Food Stamps are discussed in more detail in Chapter 4, which shows how the use of these benefits changes over time and also presents impacts on the amount of benefits received. This chapter, using data from the two-year survey, presents a snapshot of sample members' use of these and other benefits, as reported at the time of the survey.

Table 3.6 shows that New Hope caused modest reductions in receipt of AFDC and Food Stamps at the time of the survey, reducing the proportion of the sample receiving AFDC from 22.3 to 18.7 percent and the proportion receiving Food Stamps from 41.0 to 36.0 percent. (The effect on AFDC was not quite significant.) In addition to these two benefits, about half of all sample members received energy (heating) assistance, and more than a quarter received Special Supplemental Nutrition Program for Women, Infants and Children (WIC) benefits. Fewer sample members received Supplemental Security Income (SSI), General Assistance (GA), or housing benefits.[12] Aside from its effects on AFDC and Food Stamps, New Hope did not affect families' use of any of these benefits.

It appears that New Hope reduced use of public assistance benefits only (AFDC, Food Stamps, and WIC) for those employed full time at random assignment. However, the differences in program effects across the two groups generally were not statistically significant. Impacts also did not vary significantly with sample members' inclusion in the CFS sample. (Figures for the CFS sample are shown in Appendix Table L3.3.)

C. Use of Education Services and Social Support

New Hope differed from many other interventions targeted at low-income workers and welfare recipients because it was not designed around a specific set of employment or education services. New Hope did not offer GED or vocational training classes or provide structured job clubs.[13] (Staff would, however, make referrals to such services for participants who needed them.) Because the program increased sample members' incentive to seek full-time employment, one might expect participants to be less interested in pursuing competing activities, such as going back to school, pursuing a GED, or seeking vocational training. Also, the promise of a guaranteed CSJ might reduce the need to get additional training or an educational credential, as such an increase in human capital was no longer needed to improve one's chances of finding full-time work. Finally, program participants who found a job or reduced their reliance on public assis-

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[12] Although GA ended in September 1995 in Wisconsin, some limited noncash benefits were available.

[13] For a brief period New Hope contracted with two organizations to run job clubs in the New Hope office, but did not continue to provide this service. Some New Hope staff also ran informal meetings with small groups of participants to discuss job search strategies.

Table 3.6

The New Hope Project

Use of Other Public Assistance Programs for the Full Sample Within 24 Months After Random Assignment, by Full-Time Employment Status at Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Full Sample							
In prior month to survey, received:							
AFDC	18.7	22.3	-3.6	0.123	-16.2	-0.09	
Food Stamps	36.0	41.0	-5.0 *	0.066	-12.2	-0.10	
Supplemental Security Income	11.9	11.7	0.2	0.933	1.4	0.01	
General Assistance[c]	0.9	0.6	0.3	0.518	59.3	0.04	
Energy (heating) assistance[d]	42.2	44.2	-2.0	0.494	-4.5	-0.04	
Renter's assistance/Section 8/public housing[e]	9.5	11.8	-2.3	0.216	19.6	-0.07	
Special Supplemental Nutrition Program for Women, Infants, and Children	25.3	27.4	-2.1	0.394	-7.6	-0.05	
Sample size	*547*	*533*					
Employed Full Time at Random Assignment							
In prior month to survey, received:							
AFDC	10.2	17.5	-7.3 **	0.041	-41.8	-0.18	0.261
Food Stamps	25.6	36.1	-10.5 **	0.026	-29.1	-0.22	0.135
Supplemental Security Income	9.2	6.4	2.8	0.338	43.9	0.09	0.332
General Assistance[c]	1.7	0.0	n/a	n/a	n/a	n/a	n/a
Energy (heating) assistance[d]	34.7	40.4	-5.7	0.282	-14.0	-0.11	0.413
Renter's assistance/Section 8/public housing[e]	8.5	10.5	-2.0	0.527	-19.1	-0.06	0.962
Special Supplemental Nutrition Program for Women, Infants, and Children	20.8	29.7	-8.9 **	0.041	-30.1	-0.20	0.062 †
Sample size	*185*	*162*					
Not Employed Full Time at Random Assignment							
In prior month to survey, received:							
AFDC	22.7	24.8	-2.0	0.498	-8.3	-0.05	
Food Stamps	41.2	43.1	-1.9	0.575	-4.4	-0.04	
Supplemental Security Income	13.2	14.2	-0.9	0.710	-6.6	-0.03	
General Assistance[c]	0.6	0.8	-0.2	0.742	-25.8	-0.02	
Energy (heating) assistance[d]	45.7	46.2	-0.5	0.894	-1.0	-0.01	
Renter's assistance/Section 8/public housing[e]	10.1	12.3	-2.2	0.346	-17.9	-0.07	
Special Supplemental Nutrition Program for Women, Infants, and Children	27.3	26.5	0.9	0.770	3.2	0.02	
Sample size	*363*	*369*					

(continued)

Table 3.6 (continued)

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Sample sizes for the employment subgroups may not add to the full sample because of missing data.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Although General Assistance ended in September 1995 in Wisconsin, some limited noncash benefits were available.

[d] Question on energy (heating) assistance covers past 24 months.

[e] Questions asked whether respondent currently received renter's assistance or Section 8 or lived in public housing.

tance would no longer be subject to mandatory participation in work-related activities sponsored by the welfare department.

Table 3.7 partly confirms these expectations, showing modest reductions in participation in vocational training, and unpaid work experience. However, the table also shows that New Hope provided more advice and emotional support. Among those not employed full time at random assignment, the program reduced participation in vocational training and unpaid work experience. In response to program incentives, participants in that group sought employment (possibly by way of CSJs) instead of using the other services.

Interestingly, impacts were in the opposite direction for those employed full time at random assignment. New Hope actually increased the number of such sample members who attended a job club, perhaps because some project reps held informal job search meetings and made referrals to other community resources. Many control group members in this group would not have had access to these services because their employment status made them less likely to be served by the welfare department or other agencies.

The most pronounced differences in the table concern the items that cover advice and emotional support. In the full sample and in both subgroups shown, New Hope participants were far more likely to report having received these services. As discussed earlier, New Hope Project reps often developed close working relationships with many program participants. The New Hope program benefits were the primary focus of these relationships, but in the context of helping participants maximize their benefits, program staff also would give advice on job decisions, EIC use, health insurance, and other practical matters. In addition, program staff encouraged participants, giving them emotional support when they needed it and helping remove obstacles to their successful employment and continued participation in the program. Thus, staff members might actively assist sample members with housing and transportation problems, financial emergencies, child care or school problems, and even minor legal issues. Such active assistance is sometimes part of "case management" in welfare bureaucracies, but in that context tends to be less intensive and less personal. It appears that low-income workers who do not receive public assistance usually do not have access to such services either, as underscored by the very large impact shown in the middle panel for those employed full time at random assignment.

Impacts on service receipt for parents in the CFS sample (shown in Appendix L3.4) were fairly similar to those found for the full sample.

The vignette on page 99 illustrates a family that has managed to find the services and resources they need under sometimes difficult circumstances. This family is in the control group but illustrates a pattern of supplemental service use that could just as easily be found in many of the New Hope families. New Hope was not the only resource used by families in the program or control group.

Table 3.7

The New Hope Project

Use of Employment and Education Services and Social Support by the Full Sample Within 24 Months After Random Assignment, by Full-Time Employment Status at Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Full Sample							
In the past 24 months, ever attended:							
Job club	30.1	27.1	3.0	0.254	11.1	0.07	
ESL	2.1	2.5	-0.3	0.703	-13.7	-0.02	
Adult education/GED/high school diploma	10.7	12.9	-2.2	0.226	-17.2	-0.07	
College	7.6	6.6	1.0	0.501	15.5	0.04	
Vocational training	14.1	18.5	-4.4 **	0.049	-23.8	-0.12	
Unpaid work experience	5.5	8.9	-3.4 **	0.026	-37.9	-0.13	
In the past 24 months, earned:							
Any educational credential	22.8	24.3	-1.5	0.551	-6.3	-0.04	
Training certificate or trade license	19.7	21.6	-1.9	0.438	-8.8	-0.05	
In the past 24 months, ever received:							
Economic/practical advice	24.1	14.6	9.5 ***	0.000	65.1	0.24	
Emotional support/counseling	31.6	14.8	16.8 ***	0.000	114.2	0.40	
Sample size	*553*	*533*					
Employed Full Time at Random Assignment							
In the past 24 months, ever attended:							
Job club	19.7	11.3	8.4 **	0.028	74.3	0.19	0.126
ESL	3.2	2.6	0.6	0.734	23.6	0.04	0.551
Adult education/GED/high school diploma	5.5	6.0	-0.5	0.847	-8.0	-0.01	0.437
College	9.9	9.6	0.3	0.913	3.6	0.01	0.741
Vocational training	14.8	14.4	0.5	0.905	3.1	0.01	0.122
Unpaid work experience	3.2	2.0	1.2	0.470	62.6	0.05	0.010 †††
In the past 24 months, earned:							
Any educational credential	21.4	23.9	-2.4	0.586	-10.2	-0.06	0.714
Training certificate or trade license	18.0	21.0	-3.0	0.484	-14.1	-0.07	0.696
In the past 24 months, ever received:							
Economic/practical advice	24.1	9.7	14.4 ***	0.000	148.4	0.36	0.157
Emotional support/counseling	33.4	12.5	20.9 ***	0.000	167.5	0.49	0.273
Sample size	*187*	*162*					

(continued)

Table 3.7 (continued)

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Not Employed Full Time at Random Assignment							
In the past 24 months, ever attended:							
Job club	35.2	34.6	0.6	0.872	1.6	0.01	
ESL	1.7	2.4	-0.6	0.542	-26.2	-0.04	
Adult education/GED/high school diploma	13.1	16.3	-3.2	0.193	-19.5	-0.10	
College	6.6	5.1	1.5	0.373	29.9	0.06	
Vocational training	13.6	20.4	-6.8 **	0.014	-33.3	-0.18	
Unpaid work experience	6.6	12.3	-5.7 ***	0.006	-46.4	-0.22	
In the past 24 months, earned:							
Any educational credential	23.8	24.2	-0.4	0.893	-1.8	-0.01	
Training certificate or trade license	20.7	21.6	-0.9	0.758	-4.3	-0.02	
In the past 24 months, ever received:							
Economic/practical advice	24.3	16.9	7.4 **	0.013	43.7	0.19	
Emotional support/counseling	30.8	15.8	15.0 ***	0.000	94.9	0.35	
Sample size	*365*	*369*					

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as ***=1 percent, **=5 percent, and *=10 percent.

Sample sizes for the employment subgroups may not add to the full sample because of missing data.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Families in the New Hope and Control Groups Are Often Aware of, in Need of, and Use a Variety of Services in Creative Ways

Katrina is a single white mother of three living on the south side. Because she was assigned to the control group, she did not have access to the New Hope offer. Still, she shows the ability to find resources for her family in the midst of very difficult circumstances as a single parent in a low-paying job. She has worked in a bank's leasing department for about a year, although she has had several lateral moves within the company during that time. She is looking for better-paying work; she doesn't care what she does as long as the pay is good (she currently makes $8.50 an hour) and there are benefits.

Katrina has developed the ability to navigate the complex world of social services, despite — or perhaps because of — a constantly changing, sometimes troubled life and the constraints of low-paying jobs that provide few or no benefits. In addition to caring for her children, she has been responsible for caring for two of her sisters at various times, has been evicted from her apartment, and has struggled with other personal problems. When her son needed medication and therapy for severe behavior problems, she found an agency that would provide free counseling, not only for her son, but also for her entire family. After calling around to locate rent assistance, she made sure that the day applications were due, she would be near the top of the waiting list. "We got there at 5:30 AM . . . we were the second person in line." Until recently, she had never paid for any medical care, despite a chronic asthma condition that plagues both her and her young daughter. She educated herself, she said, about the EIC by reading about it in the federal building. She recently moved so that her children will be within walking distance of two different after-school programs. This makes it easier for Katrina to work full time.

Katrina does not rely on a single program or one social worker for assistance. Instead, she assesses the needs of her family and then actively tries to meet those needs, using a variety of agencies. Despite unrelenting financial pressure, this patchwork quilt usually means that Katrina can provide food, clothing, and shelter for her family. As she puts it, "I am just getting out there and hustling with what I gotta do."

VII. Conclusion: How Strong Was the New Hope Intervention?

An analysis of the participation figures presented in this chapter makes it clear that New Hope did not provide the full range of program benefits to every participant in every month. In an average month, 29.6 percent of program group members received an earnings supplement, 17.3 percent were covered by health insurance, and 13.4 percent of participants with children used child care assistance. Another 8.2 percent worked in a CSJ. What does this say about New Hope's influence on sample members' lives?

It is a difficult question to answer because participation rates and benefits received tell only part of the New Hope participation story. Program group members who did *not* receive a specific benefit in a particular month would still experience:

- an incentive to work full time, which could affect participant behavior even in months when they did not qualify for benefits
- the offer of a CSJ, giving encouragement to participants unable to find full-time work on their own and providing a backup job opportunity for those already working
- the offer of affordable health insurance if needed
- subsidized child care as a fallback option if other child care arrangements were unstable
- advice, encouragement, and job leads through contact with project reps, other program staff, and fellow participants

Combining the actual financial benefits of New Hope with these other aspects of participants' program experience makes the program seem both more substantial and more multifaceted than the narrow and quantitative participation measures suggest. This interpretation is underscored by the ethnographic vignettes presented throughout this chapter and those following.

Chapter 4

New Hope's Effects on Work and Income

This chapter describes New Hope's effects on employment, earnings, and receipt of public assistance. (Effects on income are summarized in this chapter and discussed in detail in Chapter 5.) Program effects on all these outcomes are presented first for the full New Hope sample and then in more detail for important subgroups.

I. Key Findings

- New Hope increased employment and earnings for those sample members not already employed full time at random assignment. These increases were strongest during the first year of follow-up and were strongly related to New Hope's provision of community service jobs.
- New Hope reduced hours worked beyond 40 a week for those already employed full time at random assignment.
- Program effects on employment and earnings were strongest for those with one of a number of possible barriers to employment.
- New Hope reduced receipt of public assistance by sample members who were employed full time at random assignment. These reductions appear related to New Hope's earnings supplement.

II. New Hope's Rationale and Theoretical Framework

The New Hope program was designed in response to serious shortcomings in the employment situation of many low-income residents of Milwaukee. Despite substantial job growth, low unemployment, and a very favorable economic situation, many low-income workers either hold part-time jobs when they want to work full time, are intermittently unemployed, or earn a wage insufficient to lift their family out of poverty. In addition, most low-wage jobs do not offer health benefits, although most Americans consider such benefits a necessity. Also, many low-income families must spend substantial amounts of money to place their children in child care while they work. The lack of subsidized child care is well documented and is widely considered to be a substantial barrier to the labor force participation of low-income parents.[1]

To address these problems in the context of a demonstration program, New Hope offered its participants an array of services and benefits, as discussed in preceding chapters. These services and their potential effects on employment, earnings, public assistance, and income are summarized in Figure 4.1, which is an expansion of one portion of the conceptual model presented in Chapter 1 (Figure 1.4).

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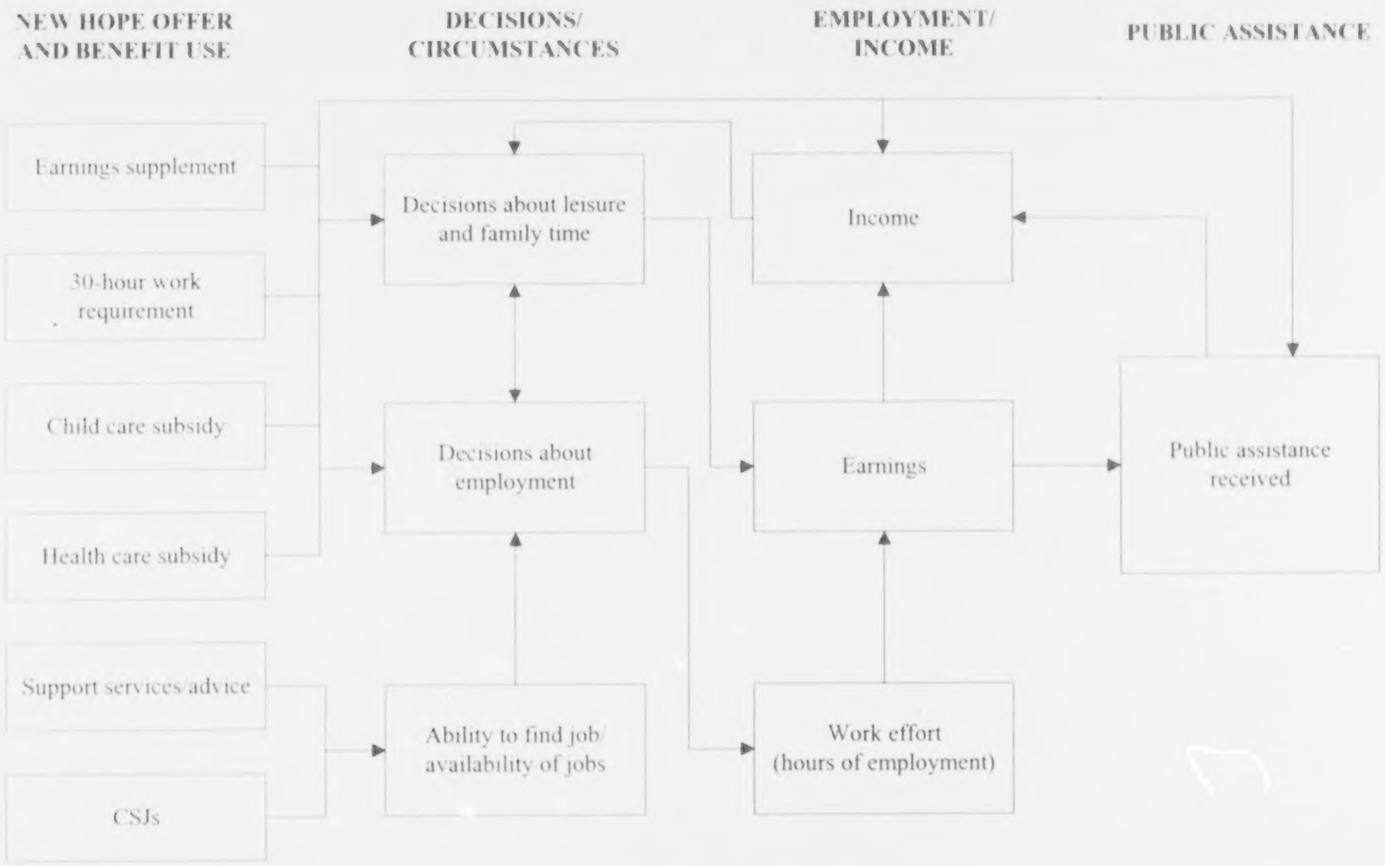
[1] Phillips and Bridgmann, 1995.

Figure 4.1

The New Hope Project

Conceptual Model of the Paths Between the New Hope Offer and Income


NEW HOPE OFFER AND BENEFIT USE
DECISIONS/ CIRCUMSTANCES
EMPLOYMENT/ INCOME
PUBLIC ASSISTANCE
Earnings supplement
30-hour work requirement
Child care subsidy
Health care subsidy
Support services/advice
CSJs
Decisions about leisure and family time
Decisions about employment
Ability to find job/ availability of jobs
Income
Earnings
Work effort (hours of employment)
Public assistance received

A. Effects on Job Decisions

New Hope's expectation was that its benefits and services would affect the behavior of program participants and the choices they make. Such changes in behavior caused by the program can either magnify or reduce the program's benefits for its participants. The first column of Figure 4.1 lists all the components of New Hope discussed in the previous chapter. Arrows from these components connect to the key outcomes discussed in this chapter. The figure is not a comprehensive depiction of reality: the arrows link to only the outcomes they are most likely to affect directly, and not all possible outcomes are shown.

The second column of Figure 4.1 shows two areas of employment outcomes that might be affected by New Hope: employment decisions and ability to find a job. By providing earnings supplements and assistance with child care and health care, New Hope increases the immediate payoff from work while simultaneously reducing some of the costs associated with going to work. Along with a 30-hour weekly minimum work requirement to qualify for benefits, these factors might be expected to increase (a) the number of participants who seek employment and (b) the number of hours they work (shown in the third column).[2] This expected response is one of the key assumptions underlying the concept of "making work pay."

As discussed in previous chapters, New Hope offers community service job opportunities for those who cannot find employment on their own. In addition, New Hope project representatives actively assist and support participants in their search for unsubsidized employment. Consequently, one might expect the access to jobs and the range of job options to be increased by New Hope, as shown in the second column. This, in turn, would affect the employment decisions and actual employment outcomes of those participating in the program. Again, the initial expectation is that New Hope will increase employment as a result.

The third column of Figure 4.1 shows how New Hope was expected to increase participants' income both directly, by providing them with financial and in-kind assistance, and indirectly, by increasing their earnings from work. Such increases in income (and financial stability) can affect subsequent choices that people make. Specifically, economic literature and past experience with programs that transfer income predict that those who benefit from such transfers may decide to reduce their work effort in favor of family time, social activities, or other types of "leisure."[3] This can produce a negative effect on employment that, for some participants, could offset the positive effects mentioned above. Specifically, one might expect such negative effects to occur for those who already work well over 30 hours a week and do not need the program's help in finding a job. Especially among the working poor, who already often must hold several jobs to break even, the added income from a program like New Hope might offer a good opportunity to settle into a more manageable work life. The expected effect in that case would be a *reduction* in work effort.

---

[2] The effect of the 30-hour rule on participants' response to the program is not altogether obvious. While this threshold substantially increases the incentive for those not working at all and for those working substantially less than 30 hours, it also introduces a "hurdle" that may be difficult to overcome for some participants, especially those with limited work experience or substantial barriers to employment. For those who for some reason cannot work 30 hours, the program's benefits (and thereby its potential effect on their behavior and subsequent outcomes) are severely curtailed.

[3] There is an extensive economic literature on these responses to changes in income from transfers and subsidies. Much of this literature discusses a series of social experiments conducted in the early 1970s, known as the negative income tax (NIT) experiments. In these experiments, it was found that increasing the income of poor families by using tax-based subsidies reduced the labor supply (work effort) of the affected families, but not universally so and usually not to any substantial degree. For a discussion of the underlying theory and findings from these NIT studies, see, for example, Robins et al., 1978, 1980; Danziger et al., 1981; Ashenfelter, 1978; Ashenfelter and Plant, 1990; Killingsworth, 1976; and Robins and West, 1983. For more recent examples, see Card and Robins, 1996; and Berlin et al., 1998. For a discussion of the role played by marginal taxes and labor supply in the design of the New Hope offer, see Brock et al., 1997, pp. 200-213.

The last column shows that the program's effects on employment and earnings could affect receipt of public assistance by its participants. That is, because of both welfare rules and individual choice, participants may receive fewer public assistance payments than they would have in the absence of the program. While this dampens the program's potential effects on sample members' income, it also generates program benefits for the government and for taxpayers.

B. Measuring Program Impacts

When implementing a set of benefits such as those offered by the New Hope program, it is important to document all of these behavioral responses. Even when the use of actual program benefits is well documented, the real "impact" of the program includes both these benefits and the behavioral responses they elicit. For example, a New Hope participant may be much better off because her income is increased with an earnings supplement and her child care needs are heavily subsidized by New Hope. But if such help from the program also causes her to leave welfare for work, the overall benefit will be much greater than the amount of money transferred through New Hope.

It is difficult to assess behavioral changes resulting from participation in New Hope by looking only at the participants. As their lives change over time, some of this change may be attributable to their contact with New Hope while other changes might have happened anyway. Therefore, an independent assessment must be made of what would have happened to New Hope participants in the program's absence. In this case, such an assessment is based on the experiences of the control group.

III. Data Sources

The findings presented in this chapter draw on a number of different data sources. Program impacts measured over time are assessed primarily with data from administrative records. Earnings and employment outcomes were measured with unemployment insurance (UI) earnings records, which were available for all 1,357 sample members in the evaluation. Because these data are limited to quarterly earnings reports, they do not cover many interesting details about sample members' employment experiences.[4] Therefore, for impacts on hours of work, hourly wage rates, or month-to-month changes in employment status or the type of job held, we have to rely on survey data. The two-year follow-up survey was completed by 1,086 sample members (or 80.0 percent of the full sample). To assess the extent to which findings vary depending on the data source used, UI earnings data and survey data were compared. The results from this comparison are presented in Appendix G, showing some discrepancy between the two data sources (as is usually the case when different data sources are used in the same study). However, these discrepancies did not have significant consequences for program effect estimates.

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[4] They also fail to capture earnings for sample members who move or work out of state and for those who are self-employed.

Since earnings from employment are not the only income source available to New Hope sample members, this evaluation obtained follow-up data from several other administrative sources, including the Wisconsin tax system (a source of information on use of the federal and Wisconsin Earned Income Credits), the AFDC system (now replaced with Wisconsin Works, or W-2), Food Stamp databases, and the Medicaid system. For New Hope participants, these data are supplemented with various measures of program benefits, such as the earnings supplements, earnings from CSJs, and health and child care benefits, all collected from New Hope program administrators.

An advantage of all these administrative data sources is that they enable us to construct longitudinal measures of employment, earnings, and public assistance receipt, showing how participants fared over time. However, a disadvantage is that they do not cover all possible sources of household income. Most of these data are available for only one person in each household. This person, the "primary sample member," provided his or her Social Security number (SSN) and other identifying information to New Hope on application to the program.[5] While other household members may have worked and contributed income to the primary sample members' household, there is no way of knowing exactly how much they worked and how much income they contributed to the household. Also, many income sources that are not captured by the administrative data collected may be very important to some households in the New Hope sample. Examples of such income sources include General Assistance, Supplemental Security Income, alimony or child support, and financial help from family and friends. Thus, it is likely that our continuous measures of household income underestimate the amount of income actually available to New Hope sample members. For individual families, such underestimates could be quite large.[6]

IV. Program Effects for the Full Sample: A Summary

Figure 4.2 shows quarterly employment rates for the full New Hope sample for both years of follow-up. Two program group lines are shown, one without CSJs. Four distinct findings emerge, namely, (1) that both research groups maintained relatively high levels of employment throughout the follow-up period, (2) that those levels did not increase much over time, (3) that program group members were more likely to be employed than controls, and (4) that CSJs played an important part in New Hope's program effects on employment. Program-control group differences were strongest in the first year of the follow-up period, when CSJ use was highest.

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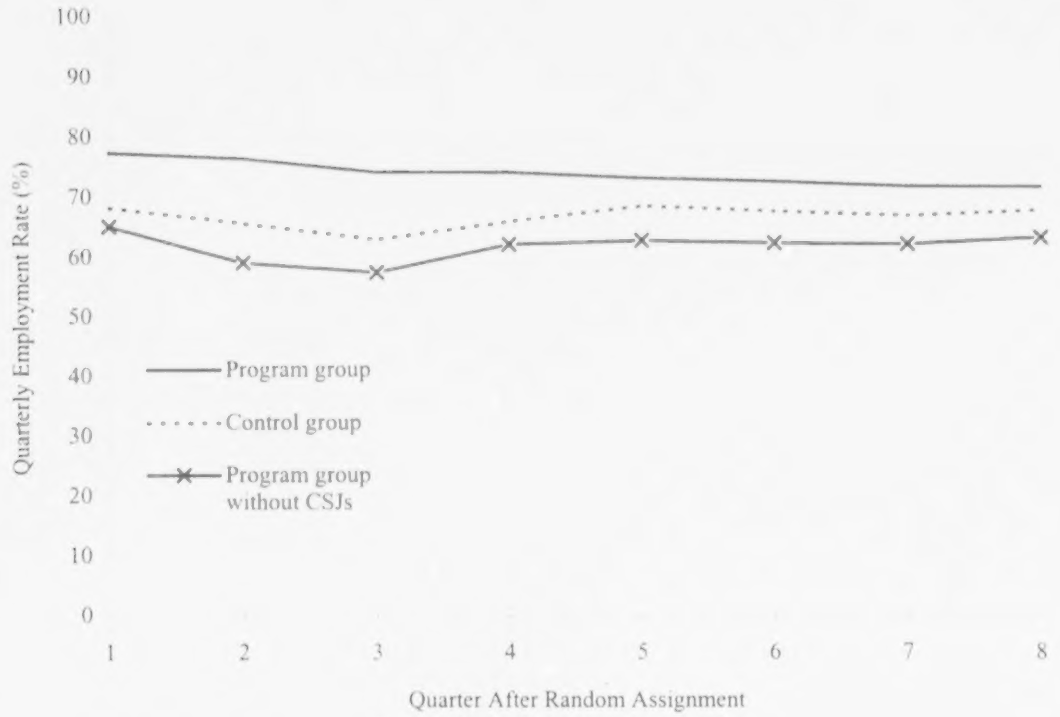
[5] A relatively small number of sample members provided a second SSN for another working member of the household. Information for this second person is included in the analysis, but it is not appropriate to aggregate income from both household members into a single measure because we did not obtain subsequent SSNs for new household members or learn if original household members left the household.

[6] Fortunately, the two-year follow-up survey enables us to assess the extent of underreporting in the continuous administrative data. Survey respondents were asked to list all income sources for the month preceding the two-year follow-up survey, including income from household members other than themselves. Impact estimates using these income measures are included in Appendix G.

Figure 4.2

The New Hope Project

Quarterly Employment Rates, by Research Group



SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

The fact that quarterly employment rates ranged from 65 to almost 80 percent reflects the work readiness and other background characteristics of applicants to New Hope as well as the strength of the Milwaukee economy during the time of the study. Both of these factors, while resulting in high rates of employment, probably also explain why employment rates did not show an upward trend over time. Most sample members who could work in an unsubsidized job probably already did so, and many of those who did not may have been engaged in employment that was not covered by UI records. In other words, there was relatively little room for improvement in the rate at which New Hope participants were employed.

Nonetheless, participation in New Hope did shift the overall level of employment by between 4 and 11 percentage points in each of the eight follow-up quarters. This increase is not a very large effect in absolute terms, but it represents a substantial share of those who would not have worked in the absence of New Hope. For example, in the third quarter (when New Hope had its largest effect on the quarterly employment rate), the program impact was 11.3 percentage points. The control group estimate shows that 63.1 percent of program participants would have been employed without New Hope, leaving about 37 percent not working and subject to a New Hope employment effect. Thus, almost a third of these sample members entered employment in that quarter because of their participation in New Hope and their access to CSJs.

Figure 4.2 also shows that the employment impacts declined over time, mostly because employment rates in the control group increased somewhat, while those in the program group stayed relatively flat. This is as one might expect, because over time controls would have experienced other incentives to seek employment, such as the tightening labor market, increasing wages, and the changing welfare situation in Wisconsin.

Finally, Figure 4.2 illustrates the importance of CSJs. In every quarter, fewer program group members than controls were employed in unsubsidized jobs, and CSJs remained important in both years of follow-up. While it is not possible to estimate how many program group members would have worked in regular jobs if there had been no CSJs, it is safe to say that these subsidized jobs contributed substantially to New Hope's positive effects on employment.

Table 4.1 summarizes the employment impacts for the full New Hope sample and also shows impacts on earnings, welfare receipt, and income.[7] Again, the absolute levels of employment are quite high, reflecting the way the New Hope sample was recruited and the strong economy in Milwaukee. Fully 95.5 percent of those offered New Hope had a UI-covered job at some point during the two-year follow-up period, as did 90.0 percent of controls. The difference, 5.5 percentage points, was statistically significant, representing a greater than 50 percent reduction in the number of sample members who *never* worked in such jobs during the follow-up period. This impact also translates into a significant increase in the number of quarters that sample members were employed. Despite their small absolute size, these effects were quite significant, which also is indicated by effect sizes of 0.21 and 0.22, respectively.[8]

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[7] The basic format of this table is repeated throughout the report, whenever program-control group differences are presented. For a discussion of how to read and interpret these tables, see the box in Chapter 3 on pages 90-91.

[8] Effect sizes are presented to enable readers to compare the relative size of program effects across different outcome areas.

Table 4.1

The New Hope Project

Two-Year Impacts on Employment, Earnings, Welfare Receipt, and Income

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Ever employed (%)						
Year 1	90.8	83.0	7.8 ***	0.000	9.4	0.23
Year 2	86.8	81.3	5.5 ***	0.004	6.8	0.15
Both years	95.5	90.0	5.5 ***	0.000	6.1	0.21
Number of quarters employed						
Year 1	3.0	2.6	0.4 ***	0.000	14.9	0.27
Year 2	2.9	2.7	0.2 **	0.022	6.7	0.12
Both years	5.9	5.4	0.6 ***	0.000	10.8	0.22
Earnings ($)						
Year 1	6,833	6,250	583 **	0.036	9.3	0.09
Year 2	7,862	7,799	63	0.857	0.8	0.01
Both years	14,695	14,049	646	0.265	4.6	0.05
EIC[b] ($)						
Year 1	893	881	12	0.838	1.4	0.01
Year 2	1,170	1,022	149 **	0.041	14.5	0.11
Both years	2,063	1,902	161	0.178	8.5	0.07
New Hope supplement ($)						
Year 1	484	0	484	n/a	n/a	n/a
Year 2	425	0	425	n/a	n/a	n/a
Both years	908	0	908	n/a	n/a	n/a
Earnings-related income[c] ($)						
Year 1	8,210	7,130	1,080 ***	0.000	15.1	0.16
Year 2	9,457	8,818	639 *	0.088	7.2	0.08
Both years	17,667	15,949	1,718 ***	0.005	10.8	0.12
AFDC ($)						
Year 1	2,450	2,482	-32	0.774	-1.3	-0.01
Year 2	1,427	1,519	-92	0.400	-6.1	-0.04
Both years	3,877	4,002	-125	0.525	-3.1	-0.03
Food Stamps ($)						
Year 1	1,643	1,674	-31	0.628	-1.9	-0.02
Year 2	1,262	1,213	49	0.485	4.0	0.03
Both years	2,905	2,887	17	0.885	0.6	0.01
Earnings-related income plus AFDC and Food Stamps ($)						
Year 1	12,303	11,287	1,016 ***	0.001	9.0	0.14
Year 2	12,145	11,551	595	0.108	5.2	0.07
Both years	24,449	22,838	1,611 ***	0.009	7.1	0.11

(continued)

Table 4.1 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Earnings-related income above the federal poverty line[d] (%)						
Year 1	26.1	20.6	5.6 **	0.016	27.0	0.13
Year 2	34.5	26.8	7.8 ***	0.002	29.1	0.17
Sample size	*677*	*676*				

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] Combines federal and Wisconsin Earned Income Credits (EICs). Counted as income the first quarter of the calendar year after the benefits accrue.

[c] Combines earnings, EIC, and the New Hope supplement.

[d] This measure could be calculated only for two-year survey respondents.

In contrast to its employment impacts, which held up in both follow-up years, the program's earnings impacts were mostly limited to the first year. In that year, New Hope increased average earnings by $583, or almost 10 percent.[9] However, this impact disappeared in the second year, and the combined two-year earnings impact was not statistically significant.

As discussed in previous chapters, the Earned Income Credit (EIC) played an important part in New Hope's message and in its efforts to lift working families out of poverty. Project representatives regularly discussed the benefits of the EIC with program participants and significantly more program group members than controls reported knowing about this important benefit for low-income working families.[10] It appears that these efforts paid off at least to some extent as New Hope increased EIC benefits (federal and state combined) by 14.5 percent (or $149) in the second year of follow-up, for an effect size of 0.11. A similar impact was not found for the first year owing to the delayed nature of these benefits (they are usually received in the first quarter of the calendar year following the one during which they accrue).

Participants' income was further increased by the New Hope earnings supplement, which, as Table 4.1 shows, benefited program group members exclusively. Across the entire sample of those assigned to the program, the average amount of the earnings supplement was $484 in year 1 and $425 in year 2. Together with the earnings and EIC benefits, this supplement constitutes a component of "earnings-related income," that is, income directly connected to one's work effort. When such a measure is analyzed, New Hope's contribution amounts to a 15.1 percent increase in the first year of follow-up, an effect that is more than halved in the second year. Overall, New Hope participants had $1,718 more in earnings-related income than their control group counterparts over the two years of follow-up. In terms of effect sizes, these impacts are still quite small at 0.16 for the first year, 0.08 for the second year, and 0.12 overall.

Table 4.1 also shows program effects on welfare receipt (in the form of AFDC and Food Stamps). It appears that, at least for the sample as a whole, New Hope did not significantly change the amount of these benefits received by its participants.[11] Adding public assistance to earnings-related income results in a measure of "total" income, which, as will be discussed later, covers most of sample members' total reported household income. Again, New Hope significantly increased income measured this way, although clearly all of this effect comes from income related to earnings, and much of that is directly tied to the earnings supplement.

Finally, the table compares the earnings-related income with the federal poverty standard: New Hope significantly increased the proportion of sample members who were able to work their way out of poverty. (Details of this comparison will be discussed in Chapter 5.) In each of the two follow-up years, a majority of program group members remained poor, as measured against this standard, but among program group members this proportion was 5.6 and 7.8 percentage points lower for year 1 and year 2, respectively, than it was for controls in similar circumstances.

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[9] Reflecting the greater variability in earnings than in employment rates, the effect size was much smaller, at 0.09. Most researchers would not consider an impact of this size meaningful.

[10] Interestingly, the text box on "Use of EIC Benefits" in Chapter 5 shows that tax filing rates were only marginally higher for program group members than for controls.

[11] A later section of this chapter shows that the program *did* affect these outcomes for some subgroups of participants.

In summary, Table 4.1 shows that New Hope simultaneously increased the work effort and the income of its participants. Effect sizes were much larger for the employment impacts than for the earnings and income impacts. With effect sizes for the income measures ranging from 0.14 in year 1 to 0.07 in year 2, it is unlikely that New Hope's impacts on family income were large enough to produce substantial impacts on family functioning and child outcomes, as hypothesized in Chapter 1. Any such impacts, if they are found, would have to be related to other aspects of the New Hope experience.

It appears that expected reductions in work effort due to increased income were more than offset by participants' greater incentive to work and by the program's assistance in getting and staying employed, including its provision of subsidized CSJ employment. This is an important finding in light of the historical evidence of reductions in work effort in the negative income tax experiments. New Hope shows that it is possible to increase the income of low-income workers with earnings subsidies without reducing their work effort substantially.

The following sections will look at employment outcomes and welfare receipt in more detail, including analyses for various subgroups for whom effects might be expected to vary.

V. New Hope's Effects on Employment and Earnings

A. Impacts by Initial Employment Status

While Figure 4.2 and Table 4.1 provide a useful summary of the program's overall employment effects, experiences of specific subgroups elucidate *how* and *for whom* these effects occurred. In this section, we compare two subgroups, defined by their employment status at the time of their application to New Hope (see Chapter 2). Their quarterly employment rates are shown in Figure 4.3. The first group consists of 418 sample members who reported being employed for 30 hours or more at the time of their application and thus were eligible to receive earnings supplements and other program benefits as soon as they entered the program. New Hope staff did not have to assist them with an initial job search or find a CSJ for them. (Of course, their initial employment status could change — and often did — at which time these participants could apply for a CSJ if they could not find full-time employment on their own.) Because they were already employed full time, one would expect smaller program effects on entry into employment for this group.

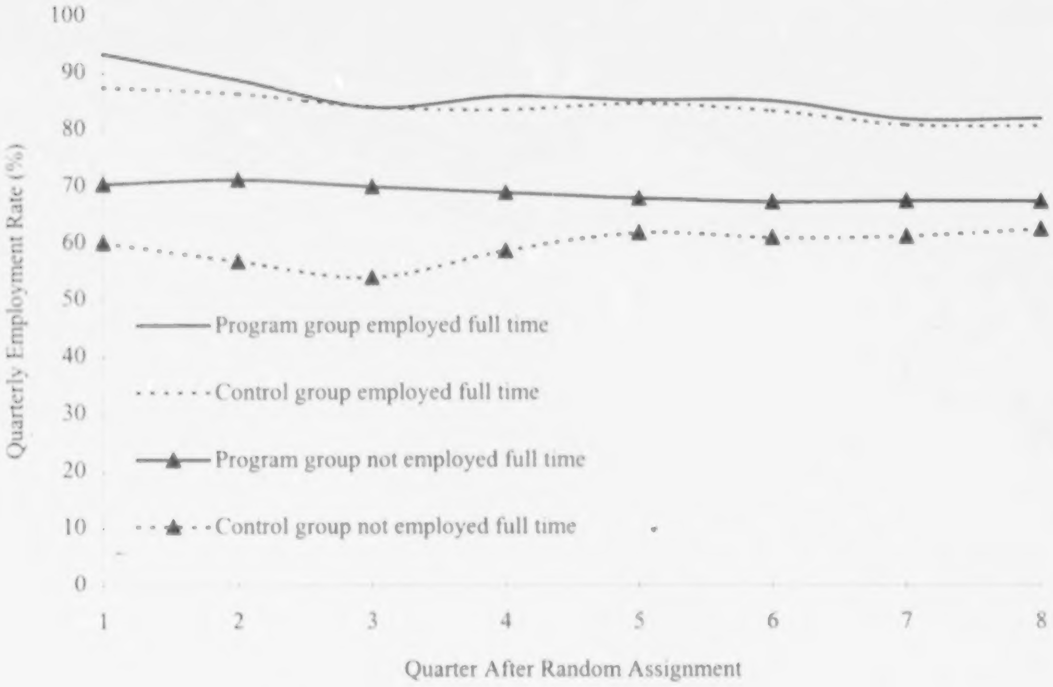
Members of the second group reported working part time or not at all when they first applied to New Hope. In order to take full advantage of the New Hope offer, these sample members needed to increase their work hours. The program assisted them in this effort by providing advice and developing CSJs. Among these sample members one would expect significant program effects on entry into employment and work effort.

Figure 4.3 bears out these expectations, showing that those who were not employed full time at the time of their application experienced the anticipated impacts on employment. For those already working full time, employment effects were very small and never statistically significant, as almost everyone, in both program and control groups, remained employed throughout most of the follow-up period. As shown in Table 4.2, program group members who were em-

Figure 4.3

The New Hope Project

Quarterly Employment Rates, by Research Group and Full-Time Employment Status at Random Assignment



SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

Table 4.2

The New Hope Project

Two-Year Impacts on Employment and Earnings, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Ever employed (%)							
Year 1	97.2	94.7	2.5	0.185	2.6	0.07	0.014 ††
Year 2	94.4	91.8	2.6	0.279	2.9	0.07	0.256
Both years	98.4	97.3	1.1	0.406	1.2	0.04	0.009 †††
Number of quarters employed							
Year 1	3.5	3.4	0.1	0.288	3.1	0.07	0.003 †††
Year 2	3.3	3.3	0.0	0.691	1.4	0.03	0.224
Both years	6.9	6.7	0.2	0.417	2.3	0.06	0.019 ††
Earnings ($)							
Year 1	10,227	10,480	-253	0.629	-2.4	-0.04	0.055 †
Year 2	10,662	11,550	-889	0.183	-7.7	-0.12	0.082 †
Both years	20,889	22,030	-1,142	0.296	-5.2	-0.09	0.048 ††
Sample size	*218*	*200*					
Not Employed Full Time at Random Assignment							
Ever employed (%)							
Year 1	87.8	77.9	9.9 ***	0.000	12.7	0.29	
Year 2	83.3	76.7	6.6 ***	0.010	8.6	0.18	
Both years	94.1	86.9	7.2 ***	0.000	8.3	0.28	
Number of quarters employed							
Year 1	2.8	2.3	0.5 ***	0.000	22.2	0.35	
Year 2	2.7	2.5	0.2 **	0.023	9.6	0.15	
Both years	5.5	4.8	0.7 ***	0.000	15.7	0.28	
Earnings ($)							
Year 1	5,295	4,380	916 ***	0.004	20.9	0.15	
Year 2	6,602	6,129	473	0.253	7.7	0.06	
Both years	11,898	10,509	1,389 **	0.037	13.2	0.11	
Sample size	*459*	*476*					

(continued)

Table 4.2 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

ployed full time when they first entered New Hope were employed in 6.9 of the 8 quarters of follow-up, on average. (This figure is based on UI data and excludes some jobs.)

For the larger subgroup of those not employed full time at random assignment, impacts were substantial and sustained throughout the follow-up period, albeit smaller in the second year than in the first. In most quarters, about 70 percent of New Hope participants in this subgroup were employed compared with about 60 percent of controls. While these are sizable differences, the program group line is remarkably flat for this subgroup. One might expect that average quarterly employment rates within this group would increase over time, especially with the help of New Hope. However, while almost everyone worked at some point during the follow-up period (94.1 percent of New Hope participants, as shown in Table 4.2), almost two-thirds of New Hope participants in this group were unemployed for at least one quarter (not shown). Quarterly rates of unemployment did not improve substantially over time. This apparent "ceiling effect" on the quarterly employment rate shows that programs such as New Hope are limited in what they can accomplish.

Table 4.2 shows these employment outcomes in more detail and includes impacts on earnings. All employment effects are concentrated in the lower panel of this table, among those not employed full time at baseline.[12] Over the two years of follow-up, New Hope increased the earnings of these sample members by $1,389, or 13.2 percent. Most of this increase was concentrated in the first year of follow-up. As was found for the full sample in Table 4.1, effect sizes were larger for employment impacts (0.28 for both years combined) than for earnings impacts (0.11). The former signals a substantial increase in employment and a significant change in participants' lives.

It is notable that earnings impacts for sample members who already worked full time at baseline tended to be negative, albeit very small and not statistically significant. Analyses of survey data showed that these participants somewhat reduced the number of hours they worked (shown in Table 4.5) once their income was supplemented by New Hope (one of the expected behavioral effects discussed earlier).

B. How Earnings Were Distributed

Figure 4.4 shows the distribution of two-year earnings for the program and control groups, broken down by full-time employment status at random assignment. The upper part of the figure depicts this distribution for those employed full time at application. It shows a relatively even distribution of earnings with little difference between patterns for the program and the control groups. Program group members were somewhat more likely to have two-year earnings in the $5,000-$20,000 range and control group members were more likely to have two-year earnings higher than $45,000. However, there is no clear pattern of program-control differences, most of which were not statistically significant.

The lower part of Figure 4.4 shows a much clearer pattern of differences — and a much more skewed distribution of earnings — for those not employed full time at random assignment. A large share of these sample members had earnings under $5,000 for the two follow-up years

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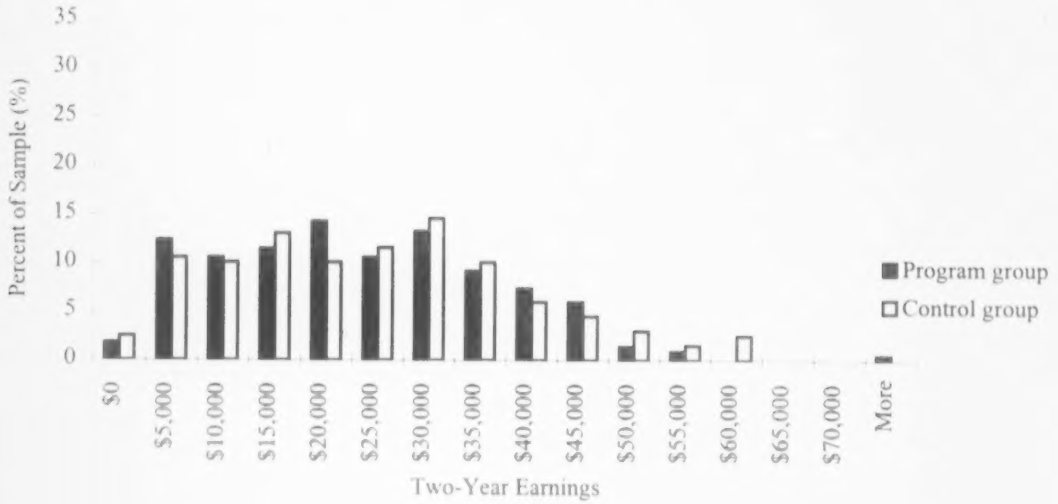
[12] The p-values in the last column of the upper panel indicate that New Hope's effects on employment and earnings varied significantly across the two employment subgroups.

Figure 4.4

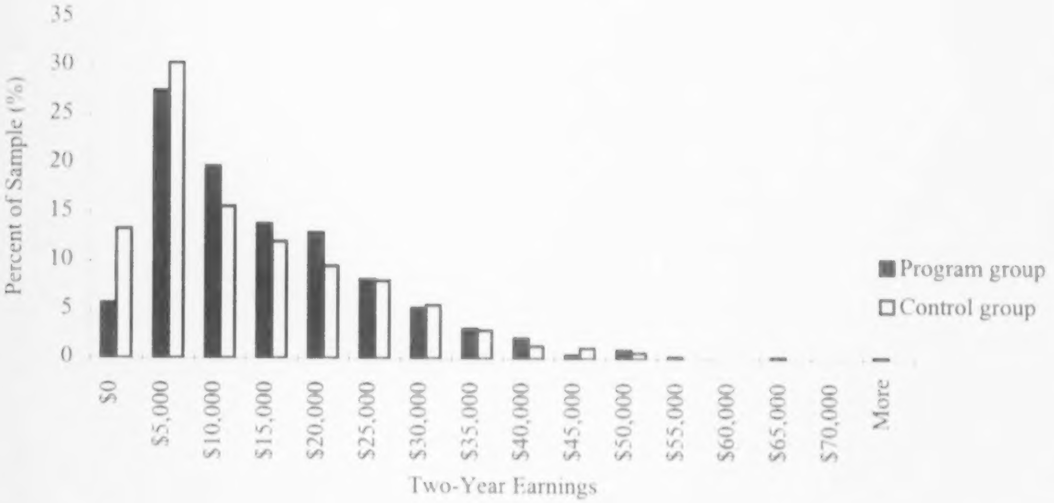
The New Hope Project

Distribution of Two-Year Earnings, by Research Group and Full-Time Employment Status at Random Assignment

Employed Full Time at Random Assignment



Not Employed Full Time at Random Assignment



SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

combined, and the New Hope program considerably reduced this share. Specifically, 43.6 percent of controls earned less than $5,000 compared with 33.2 percent of program group members. There were no such shifts across earnings categories in the higher regions of the earnings distribution.

C. The Role of Community Service Jobs

As discussed above, the employment outcomes of New Hope participants could have been affected by the various program components in several different ways. One of the most important components in this regard is the provision of CSJ opportunities. These jobs were available to New Hope participants who wanted full-time employment and were unable to find it on their own. Most CSJs were full-time jobs, but a small percentage were part-time positions that part-time workers could use to supplement their hours to reach the 30 required to receive program benefits.

The nature and use of CSJs as well as the implementation of New Hope's CSJ component are discussed extensively in Poglinco, Brash, and Granger (1998). They found that CSJs were made available in sufficient numbers, were "real" jobs involving productive activities, and were used as a bridge to unsubsidized employment, as intended by program administrators. They describe how New Hope successfully used a variety of methods to discourage participants from substituting CSJ employment for regular employment and to prevent them from having extended stays in CSJs.

The authors did not have access to two-year data on CSJ use from the survey or from program records. Analyses of these longer-term data confirm their findings:

- Thirty-two percent of all participants used a CSJ at any time during the two-year follow-up period, spending an average of 6.1 months in such a job.
- About two-thirds of all CSJ participants had one continuous spell of CSJ employment, and most of the remaining participants had two spells.
- Over 90 percent of continuous spells were shorter than nine months, but 20 percent of CSJ participants spent more than nine months in a CSJ, often on multiple separate occasions.
- CSJ use was not limited to the first couple of months of program participation: more than 40 percent of CSJ users were still in such a job after one and a half years in the program.
- Finally, 62.2 percent of CSJ users were employed in a regular job during the quarter immediately following the end of their CSJ, which means that CSJs were a bridge to regular employment for many, but not for all, participants who used this program component.

Are CSJs Responsible for the Entire Employment Effect?

Table 4.3 shows that New Hope's effects on employment and earnings for those not employed full time appear to be explained entirely by the provision of community service jobs. When impacts are calculated using unsubsidized employment only, the program effects disappear. What does this mean?

To simplify the problem, assume that there are two options:

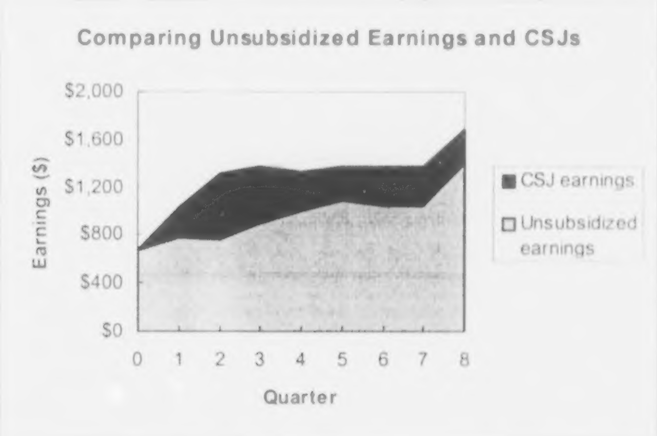
1. All those who worked in a CSJ did so only because they had access to such a subsidized job. Without it they would not have worked and would have had zero earnings.

2. All those who worked in a CSJ would have worked in an unsubsidized job if there were no CSJs. Their earnings would have been the same or higher.

In the former case, the right way to estimate New Hope's effects in the absence of CSJs is to exclude them from the analysis, as was done in the last column of Table 4.3. In the latter case, CSJ earnings would need to be added to earnings from unsubsidized jobs to calculate what unsubsidized earnings would have been in the absence of CSJs.

The true estimate of New Hope's program effects in the absence of CSJs lies somewhere between these two extremes. The question is where.

There is evidence that some CSJ users would not have worked at all without a CSJ. Among the 221 participants who worked in a CSJ, 20 had no earnings in addition to those from their CSJ. However, these participants did not earn a lot of money in their CSJs. Most of them did not complete six months in a CSJ and average total earnings were only $3,184 for this sample of 20. The other 201 participants had at least some unsubsidized earnings in addition to their CSJ, which are shown in the figure below.



(continued)

(continued)

From the figure it appears that CSJs accounted for less than half of the earnings of CSJ users, even in the earlier quarters of follow-up.

Another analysis, using the same sample of 201 CSJ users who also had unsubsidized employment, showed that these participants combined a CSJ with unsubsidized employment in 17 percent of all quarters. In only 18 percent of all quarters did they have only CSJ employment. Finally, in the average quarter during which they participated in a CSJ, participants earned $471 in unsubsidized earnings, or almost half as much as their CSJ earnings of $974 during such quarters.

All of this points to the fact that many CSJ users had other employment opportunities while they worked in a CSJ, suggesting that there was at least some degree of substitution of CSJs for unsubsidized employment. This, in turn, makes the first proposition quite implausible, moving us more toward the second one. Consequently, there is evidence that New Hope would have increased the earnings of CSJ users even in the absence of CSJs, suggesting that its impacts went beyond the provision of subsidized employment. However, all of this is *not* evidence that CSJs actually improved participants' long-term employment prospects, but doing so might have been difficult in the context of Milwaukee's labor market.

An important question concerns the extent to which CSJs contributed to New Hope's employment effects. As discussed above, one might expect both financial incentives and guaranteed jobs (which CSJs are) to contribute to New Hope's employment effects, especially for those not working full time when they entered the program. The financial incentives would have made it more attractive (or feasible) for this group to work and the CSJs would be available to help those unable to find a full-time job on their own. Ideally, one would expect to see employment gains attributable to both of these program components, not just to CSJ employment.

Unfortunately, the effects of CSJs cannot be separated from the effects of other components because there was no group in the study that had access to New Hope's financial incentives and work supports, but not to the CSJ component. Since all New Hope participants could use all parts of the program, we have no valid measure of what CSJ users would have done without this program component. It is likely that many would not have found suitable employment on their own, but others, helped by New Hope's other supports, might have anyway, possibly with some delay. Thus, one cannot assume that all participants who worked in a CSJ would have been unemployed otherwise.

Table 4.3 offers some insight into the importance of CSJ employment for New Hope participants. It shows impacts on employment and earnings similar to those presented in Table 4.2, but with and without earnings from CSJs. The first column corresponds to the "program group" column in Table 4.2, and the second column shows the results after all CSJ employment was re-

Table 4.3

The New Hope Project

Two-Year Impacts on Employment and Earnings, With and Without CSJs, by Full-Time Employment Status at Random Assignment

	Program Group			Difference	
Outcome	With CSJ	Without CSJ	Control Group	With CSJ	Without CSJ
		Employed Full Time at Random Assignment			
Ever employed (%)					
Year 1	97.2	95.8	94.7	2.5	1.2
Year 2	94.4	93.3	91.8	2.6	1.6
Both years	98.4	98.0	97.3	1.1	0.7
Number of quarters employed					
Year 1	3.5	3.4	3.4	0.1	0.0
Year 2	3.3	3.2	3.3	0.0	-0.1
Both years	6.9	6.6	6.7	0.2	-0.1
Earnings ($)					
Year 1	10,227	9,976	10,480	-253	-504
Year 2	10,662	10,365	11,550	-889	-1,185 *
Both years	20,889	20,341	22,030	-1,142	-1,689
Sample size	*218*	*218*	*200*		
		Not Employed Full Time at Random Assignment			
Ever employed (%)					
Year 1	87.8	80.1	77.9	9.9 ***	2.2
Year 2	83.3	77.8	76.7	6.6 ***	1.1
Both years	94.1	88.9	86.9	7.2 ***	2.0
Number of quarters employed					
Year 1	2.8	2.3	2.3	0.5 ***	0.0
Year 2	2.7	2.5	2.4	0.2 **	0.0
Both years	5.5	4.8	4.8	0.7 ***	0.0
Earnings ($)					
Year 1	5,295	4,627	4,380	916 ***	247
Year 2	6,602	6,136	6,129	473	7
Both years	11,898	10,763	10,509	1,389 **	254
Sample size	*459*	*459*	*476*		

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

moved from the various employment measures. The "control group" column is identical to the one shown in Table 4.2 (controls did not have access to CSJs). The two "difference" columns show that New Hope program effects would probably have been much less positive if only "regular" employment were considered in the analysis. In that case, program effects for the group working full time at random assignment might have been negative and program effects for the other group might have virtually disappeared.

While these impacts suggest that CSJs were an important program component, one cannot attribute all employment and earnings gains to this component. Although we do not know how many, some of the participants who entered employment through a CSJ would have found regular full-time work, even in the absence of CSJs. Therefore, removing *all* CSJs from the program group estimates is an inappropriate way to estimate how the program would have fared without these guaranteed jobs. However, the lack of any impacts on "regular" employment does suggest that New Hope would not have achieved the employment effects it did without providing subsidized jobs for those who needed them. The vignette below illustrates the potential for CSJs to lead to permanent employment. CSJs provided by New Hope did not include the promise of a permanent job at the host site, although some New Hope participants did get hired permanently. However, most CSJ users transitioned into non-CSJ jobs at different locations.

L'Kesha's CSJ Leads to a Permanent Job

L'Kesha, an African-American aged 28, lives in an apartment complex on the outskirts of Milwaukee with her boyfriend and two children. Although L'Kesha had a few part-time jobs in high school, she never had anything she considered a "regular job" until she was enrolled in New Hope. For the past four years she has worked steadily because of the help of New Hope's community service job placements.

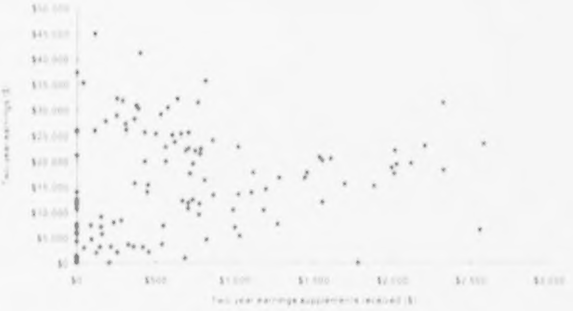
When L'Kesha was selected for New Hope, she was ready to end her dependency on welfare. Two months after enrolling in New Hope, after trying to find work in the private sector, L'Kesha was placed in a CSJ at a food bank. She worked successfully at the job for the six months until the placement came to an end. Again unable to find a job in the private sector, New Hope placed her in a second CSJ job in a shelter for homeless people. She was hired permanently, and three years later is still working full time for the same organization. She gets vacation, sick time, and health insurance for herself and her children. She has even received a promotion to receptionist.

L'Kesha reflects positively on her experiences with New Hope and the employment opportunities available to her through CSJs. While she acknowledges problems with her supervisor and the clients, and has days when she comes home exhausted and stressed, she vows to keep working for the sake of her children. Her boyfriend has told her that whenever she wants to stop work he will take on a second job. However, L'Kesha prefers to have her own money so she can spend it as she pleases.

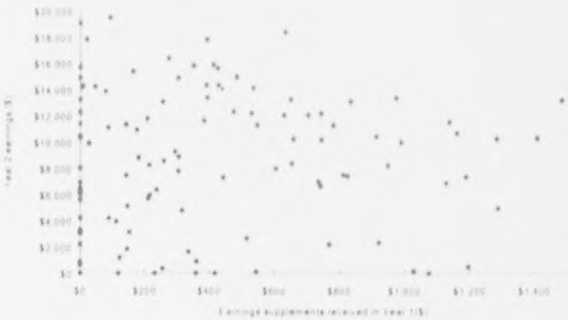
D. Relating Benefit Use and Earnings

An intriguing question in the analysis of New Hope's effects is the extent to which higher levels of benefit use were associated with better employment outcomes. Straightforward comparisons of outcomes for program and control group members do not provide a satisfactory answer to this question. Further analysis may help. The two graphs below illustrate how direct comparisons of service receipt and employment outcomes (in this case earnings) can be used to better understand the relationship between participation and outcomes. The first graph is a "scatterplot" of total two-year earnings (on the vertical axis) and total two-year supplements received (on the horizontal axis). Because this relationship is expected to vary by family size, the graph includes only program group members whose immediate family consisted of three persons at the time of the two-year follow-up survey.[13] As expected, the data points roughly resemble an inverted "C." The highest earnings supplements are associated with average-size earnings and lower supplements are associated with either low or high earnings. Statistical analysis (not shown here) confirms this shape, finding that such an inverted "C" explains about 15 percent of the variation in these data points. This finding is statistically significant.

Relating Two-Year Earnings to Total Earnings Supplements Received



Relating Year Two Earnings to Earnings Supplements Received in Year 1



This relationship between earnings and supplements was implicitly built into the New Hope offer, so it is not difficult to understand. The trouble is how to interpret its underlying causality. To some extent, high earnings supplements support participants' ability to work and thereby increase earnings, moving program group members up in the graph. On the other hand, however, high earnings *reduce* the amount of earnings supplements received, moving program group members left in the graph. Furthermore, most sample members with low earnings also worked shorter hours, reducing their chances of qualifying for an earnings supplement. All this means that earnings and earnings supplements have a reciprocal and simultaneously causal relationship: they influence one another at the same time (the same is true for other program benefits). The result of this is that it is nearly impossible to independently estimate the effect of one on the other.[14] In other words, we do not know if service use is affecting earnings or if the reverse is true.

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[13] Analyses were repeated for households of other sizes with comparable results.

[14] Using advanced statistical methods one might be able to separate these effects. However, it involves finding independent predictors of service use, an exercise that is beyond the scope of this report.

The second graph attempts to address this problem by relating year 2 earnings to the amount of earnings supplements received in the first year, that is, separating the two in time. If supplements would indeed increase the ability of program group members to hold a job, then those effects might be sustained in subsequent years. While this is not a perfect solution to the simultaneity problem, finding such a link would lend support to the belief that earnings supplements have sustained effects on subsequent earnings. However, the second graph appears to show mostly random variation, a finding confirmed by statistical analysis. An inverted "C" shape similar to the one found in the first graph explains only about 2 percent of the variation among these data points, which is not statistically significant from zero.

E. Employment Effects for People with Differing Potential Barriers to Employment

When local ethnographers interviewed New Hope participants and project staff, they uncovered significant variation in participants' potential barriers to working full time and taking advantage of the New Hope offer.[15] On the basis of their observations, five potential barriers were identified: low level of education, responsibility for young children, an arrest record, lack of recent job experience, and having been fired from one's last job. Sample members who were not employed at random assignment were divided into three groups. The first group had none of the identified potential barriers to employment. They were likely to be most ready to engage in full-time employment, so may have needed relatively little assistance. Although they may have been helped by the New Hope Project, the resources available to the control group may have been sufficient to increase their employment as well, thereby limiting the program's potential effects on employment outcomes for the group without any potential barriers.

The second group had one identified potential barrier that might be addressed by the New Hope program. For example, this group includes families with several young children, for whom child care expenses could have been a barrier to be addressed by the child care subsidy. Sample members who had been fired, had no recent work experience, had an arrest record, or who lacked a high school credential might benefit from a CSJ to establish a work history. For this group, the New Hope offer might have been "the missing piece" needed to change their fortunes in the labor market.

A third group, with multiple potential barriers, might also benefit from New Hope, but would also include sample members with more serious impediments to employment who needed a program intervention more intensive than the one offered by New Hope.

Table 4.4 compares these three groups to explore the question of whether the pattern suggested by a small number of ethnographic interviews is representative of the experiences for the sample as a whole. The table includes only those sample members who were not already employed full time when they first enrolled in New Hope. Earlier tables showed that New Hope's program effects on employment and earnings were largely concentrated within this group.[16]

The impacts shown in the three panels support the expectation that the largest impacts would occur for people with one identified potential barrier to employment. Impacts for the

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[15] Weisner et al., 1999.

[16] A similar breakdown was considered for the other subgroup, but it was rejected, mostly because sample sizes would have become too small to allow for reasonably stable impact estimates.

Table 4.4

The New Hope Project

Two-Year Impacts on Employment and Earnings for Those Not Employed Full Time at Random Assignment, by Number of Potential Barriers to Employment[a]

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
			No Potential Barriers				
Ever employed (%)							
Year 1	88.4	75.6	12.7 ***	0.007	16.8	0.38	0.568
Year 2	78.4	81.6	-3.2	0.509	-3.9	-0.09	0.075 †
Both years	91.9	87.1	4.8	0.211	5.6	0.19	0.795
Number of quarters employed							
Year 1	2.9	2.5	0.4 **	0.028	16.1	0.27	0.791
Year 2	2.5	2.8	-0.2	0.246	-8.4	-0.15	0.020 ††
Both years	5.4	5.2	0.2	0.611	3.2	0.06	0.131
Earnings ($)							
Year 1	5,810	5,319	490	0.440	9.2	0.08	0.558
Year 2	6,427	7,449	-1,022	0.209	-13.7	-0.14	0.028 ††
Both years	12,236	12,768	-532	0.689	-4.2	-0.04	0.099 †
Sample size	*141*	*124*					
			One Potential Barrier				
Ever employed (%)							
Year 1	89.7	80.4	9.3 ***	0.009	11.5	0.28	
Year 2	85.4	74.4	10.9 ***	0.007	14.7	0.30	
Both years	95.3	87.3	8.0 ***	0.005	9.2	0.31	
Number of quarters employed							
Year 1	2.8	2.3	0.5 ***	0.001	21.2	0.34	
Year 2	2.8	2.3	0.5 ***	0.004	20.1	0.30	
Both years	5.6	4.7	1.0 ***	0.000	20.6	0.36	
Earnings ($)							
Year 1	5,481	4,228	1,254 **	0.010	29.7	0.20	
Year 2	7,245	5,555	1,690 ***	0.009	30.4	0.23	
Both years	12,727	9,783	2,944 ***	0.005	30.1	0.23	
Sample size	*192*	*194*					

(continued)

Table 4.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
			Two Potential Barriers or More				
Ever employed (%)							
Year 1	83.9	78.2	5.7	0.226	7.3	0.17	
Year 2	84.0	76.7	7.3	0.139	9.6	0.20	
Both years	93.8	87.3	6.5 *	0.072	7.5	0.25	
Number of quarters employed							
Year 1	2.7	2.1	0.6 ***	0.002	26.7	0.39	
Year 2	2.7	2.4	0.3	0.100	13.4	0.21	
Both years	5.4	4.5	0.9 ***	0.006	19.7	0.33	
Earnings ($)							
Year 1	4,475	3,850	625	0.274	16.2	0.10	
Year 2	5,886	5,713	173	0.817	3.0	0.02	
Both years	10,361	9,564	797	0.504	8.3	0.06	
Sample size	*126*	*158*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[b] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[c] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

groups with no such barriers and with two barriers or more are small, inconsistent, and generally not statistically significant. For those with none of the identified barriers, the program group did have substantially higher rates of employment in the first year (88.4 percent) than the control group (75.6 percent), but control group members quickly caught up. Employment impacts were not statistically significant in year 2. Those with two potential barriers or more experienced more modest employment effects in the first year, which did hold up in the second year, but never were very large or consistently significant. However, those with only one potential barrier experienced large and significant impacts on every measure presented in the table. Effect size estimates were never less than 0.2 for this group and often were in the 0.3 range. Participants in this group were employed a full quarter more during the two-year follow-up period and experienced an earnings gain of $2,944, or 30.1 percent for both years. Interestingly, impacts on employment and earnings did not significantly decline over time.[17]

F. Other Employment Outcomes

Tables 4.5 and 4.6 show New Hope's impacts on a number of other employment outcomes, using selected measures collected with the two-year follow-up survey. Because this survey asked respondents about all the jobs they held since random assignment, it is possible to calculate how many hours each sample member worked during the two-year follow-up period. Such information is not available from UI data and contributes to our understanding of the employment impacts presented so far.[18] The tables also present characteristics and benefits of the last job held by each survey respondent.[19]

Table 4.5 focuses on the distinction between those who were employed full time at random assignment and those who were not. Positive program effects appear to be concentrated within the latter group, while the former experienced some modest negative program effects. Specifically, those who worked full time at random assignment significantly reduced their work hours during the first year of follow-up. Over the follow-up period as a whole, the negative impact on hours worked closely mirrors a similar reduction in earnings, shown in Table 4.2 (both reductions amounted to 5.2 percent), although neither one of these impacts was statistically significant. The upper panel of Table 4.5 shows that this reduction in hours worked was not the result of a shift from full-time to part-time work, but rather the result of reduced overtime. Full-time employed participants worked an average of more than 40 hours a week in significantly fewer months than their control groups counterparts. Relatively speaking, this reduction in over-

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[17] In fact, the p-values in the last column of the upper panel of Table 4.4 show that the differences in program effects across the three barrier subgroups were statistically significant only in the second year of follow-up.

[18] Note, however, that these two different data sources are not entirely compatible. First, the survey data on employment outcomes were available only for 1,086 sample members, or 80.0 percent, of the full New Hope study sample. Appendix F explores differences between the survey sample and the full sample, which appeared to be modest. Second, the survey data capture certain jobs that would have been missed by the UI system, because they either were outside the "regular" job market, were not covered by unemployment insurance, or were located outside Wisconsin. Third, the survey data cover two years of follow-up starting from the point of random assignment, whereas the UI data cover two years starting from the first quarter following the quarter of random assignment. All of these differences may result in slight discrepancies in the analysis, none of which should be serious, however.

[19] Measures of job characteristics exclude the small number of sample members who were never employed during the two-year follow-up period. Therefore, comparisons involving these measures are no longer truly "experimental" and resulting impacts may be slightly biased. However, these biases should be very limited owing to the high overall employment rate in the New Hope sample.

Table 4.5

The New Hope Project

Two-Year Impacts on Other Employment Outcomes, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Total hours worked							
Year 1[c]	1,712	1,862	-150 **	0.035	-8.1	-0.18	0.001 †††
Year 2	1,706	1,744	-38	0.604	-2.2	-0.05	0.087 †
Both years	3,411	3,598	-187	0.140	-5.2	-0.13	0.004 †††
Number of months with weekly hours worked:							
Below 30	5.7	5.4	0.4	0.640	6.6	0.04	0.006 †††
Above 40	2.7	4.3	-1.6 **	0.037	-37.7	-0.27	0.061 †
Above 50	0.9	2.0	-1.0 **	0.020	-53.4	-0.31	0.021 ††
Longest job spell (months)	19.2	18.7	0.5	0.490	2.7	0.06	0.613
Number of job spells	1.3	1.4	-0.1	0.392	-4.5	-0.08	0.060 †
Characteristics of last job spell							
Average weekly hours	38.4	39.3	-0.9	0.374	-2.3	-0.08	0.115
Full-time (30 hours or more) (%)	90.0	91.0	-1.0	0.743	-1.1	-0.03	0.114
Hours over 50 a week	5.5	7.6	-2.1	0.437	-28.0	-0.10	0.401
Hourly wage ($)	7.28	7.74	-0.46 **	0.037	-5.9	-0.15	0.272
Job benefits (%)							
Paid sick days	43.9	42.8	1.1	0.836	2.6	0.02	0.594
Paid vacation	55.1	63.9	-8.8 *	0.085	-13.7	-0.18	0.023 ††
Health plan/insurance	37.4	53.5	-16.1 ***	0.002	-30.2	-0.34	0.001 †††
Pension	32.3	35.2	-2.9	0.571	-8.2	-0.07	0.319
Sample size	*186*	*162*					
Not Employed Full Time at Random Assignment							
Total hours worked							
Year 1[c]	1,221	1,069	152 **	0.012	14.2	0.18	
Year 2	1,414	1,288	126 **	0.040	9.8	0.16	
Both years	2,640	2,355	285 ***	0.008	12.1	0.19	
Number of months with weekly hours worked:							
Below 30	10.3	12.6	-2.3 ***	0.000	-18.2	-0.27	
Above 40	2.6	2.6	0.0	0.952	1.0	0.00	
Above 50	1.1	1.0	0.1	0.648	10.3	0.03	
Longest job spell (months)	14.1	13.1	1.0 *	0.098	7.5	0.12	
Number of job spells	1.4	1.3	0.1 **	0.049	8.3	0.15	

(continued)

Table 4.5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Characteristics of last job spell							
Average weekly hours	36.4	35.1	1.2	0.170	3.5	0.11	
Full-time (30 hours or more) (%)	81.0	75.0	6.0 *	0.059	8.0	0.16	
Hours over 50 a week	4.3	3.8	0.5	0.742	13.4	0.02	
Hourly wage ($)	6.99	7.08	-0.09	0.710	-1.3	-0.03	
Job benefits (%)							
Paid sick days	29.3	24.9	4.4	0.177	17.7	0.09	
Paid vacation	39.1	33.9	5.2	0.136	15.5	0.11	
Health plan/insurance	32.4	27.3	5.1	0.130	18.8	0.11	
Pension	20.2	17.3	2.9	0.308	17.0	0.07	
Sample size	*365*	*366*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and two-year survey.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] These "years" were created using two-year survey data and do not line up exactly with follow-up years defined with UI data.

Table 4.6

The New Hope Project

Two-Year Impacts on Other Employment Outcomes for Those Not Employed Full Time at Random Assignment, by Number of Potential Barriers to Employment[a]

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
No Potential Barriers							
Total hours worked							
Year 1[d]	1,301	1,168	133	0.243	11.4	0.16	0.978
Year 2	1,541	1,459	82	0.465	5.6	0.10	0.910
Both years	2,880	2,624	256	0.208	9.7	0.17	0.977
Number of months with weekly hours worked:							
Below 30	8.8	11.2	-2.3 **	0.046	-20.9	-0.27	0.956
Above 40	2.3	3.1	-0.8	0.389	-24.7	-0.12	0.635
Above 50	0.9	1.3	-0.3	0.505	-25.8	-0.09	0.207
Longest job spell (months)	15.1	13.6	1.5	0.193	11.0	0.18	0.836
Number of job spells	1.4	1.3	0.2	0.167	11.7	0.21	0.576
Characteristics of last job spell							
Average weekly hours	36.2	35.4	0.8	0.624	2.1	0.07	0.478
Full-time (30 hours or more) (%)	80.9	76.8	4.1	0.506	5.4	0.11	0.538
Hours over 50 a week	2.2	3.8	-1.6	0.541	-41.6	-0.07	0.754
Hourly wage ($)	6.82	7.29	-0.47	0.110	-6.4	-0.16	0.594
Job benefits (%)							
Paid sick days	34.8	27.6	7.3	0.265	26.4	0.16	0.605
Paid vacation	46.8	39.6	7.1	0.310	18.0	0.14	0.591
Health plan/insurance	36.9	33.0	3.9	0.575	11.7	0.08	0.689
Pension	25.3	21.9	3.3	0.581	15.3	0.08	0.691
Sample size	*117*	*95*					
One Potential Barrier							
Total hours worked							
Year 1[d]	1,243	1,083	159	0.116	14.7	0.19	
Year 2	1,405	1,261	144	0.140	11.4	0.18	
Both years	2,642	2,347	295 *	0.093	12.6	0.20	
Number of months with weekly hours worked:							
Below 30	10.2	12.7	-2.6 **	0.012	-20.1	-0.30	
Above 40	2.5	2.5	0.0	0.954	-1.5	-0.01	
Above 50	0.9	1.2	-0.3	0.431	-23.5	-0.08	
Longest job spell (months)	14.3	13.2	1.1	0.258	8.1	0.13	
Number of job spells	1.5	1.3	0.1	0.120	10.5	0.19	

(continued)

Table 4.6 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
Characteristics of last job spell							
Average weekly hours	37.0	34.5	2.5 *	0.090	7.3	0.23	
Full-time (30 hours or more) (%)	83.0	73.2	9.8 *	0.056	13.4	0.26	
Hours over 50 a week	4.3	3.2	1.1	0.657	33.0	0.05	
Hourly wage ($)	7.42	7.26	0.15	0.782	2.1	0.05	
Job benefits (%)							
Paid sick days	28.6	23.3	5.3	0.293	22.9	0.11	
Paid vacation	37.3	29.0	8.3	0.129	28.5	0.17	
Health plan/insurance	31.9	22.7	9.2 *	0.081	40.3	0.19	
Pension	16.0	15.8	0.2	0.960	1.4	0.01	
Sample size	*148*	*143*					
			Two Potential Barriers or More				
Total hours worked							
Year 1[d]	1,126	963	163	0.151	17.0	0.19	
Year 2	1,292	1,193	98	0.434	8.3	0.12	
Both years	2,402	2,163	239	0.253	11.1	0.16	
Number of months with weekly hours worked:							
Below 30	11.7	13.8	-2.1 *	0.083	-15.1	-0.24	
Above 40	2.8	2.5	0.4	0.649	14.6	0.06	
Above 50	1.2	0.7	0.5	0.150	80.1	0.16	
Longest job spell (months)	12.9	12.4	0.5	0.656	4.2	0.06	
Number of job spells	1.4	1.3	0.0	0.915	0.9	0.02	
Characteristics of last job spell							
Average weekly hours	35.7	35.9	-0.2	0.913	-0.5	-0.02	
Full-time (30 hours or more) (%)	77.9	76.7	1.2	0.846	1.6	0.03	
Hours over 50 a week	5.3	5.3	-0.1	0.988	-1.0	0.00	
Hourly wage ($)	6.40	6.83	-0.43	0.162	-6.3	-0.15	
Job benefits (%)							
Paid sick days	24.4	25.4	-1.0	0.872	-3.8	-0.02	
Paid vacation	34.6	34.8	-0.2	0.975	-0.6	0.00	
Health plan/insurance	29.8	27.1	2.7	0.665	9.9	0.06	
Pension	21.0	14.9	6.1	0.262	41.2	0.14	
Sample size	*99*	*130*					

(continued)

Table 4.6 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and two-year survey.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[b] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[c] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[d] These "years" were created using two-year survey data and do not line up exactly with follow-up years defined with UI data.

time work was even more substantial for months when average weekly hours exceeded 50. In both cases, the effect size estimates were substantial at -0.27 and -0.31, respectively. While control group members who were employed full time at random assignment worked an average of 2.0 months in which weekly hours exceeded 50, program group members averaged only 0.9 months.

Table 4.5 also shows characteristics of sample members' individual job spells. It appears that for those employed full time at random assignment, the program did not significantly increase job stability. Program and control group members experienced roughly an equal number of distinct job spells (1.3 versus 1.4) and their longest consecutive job spell was of similar length (19.2 versus 18.7 months).[20]

Looking at the last job spell (often respondents' current job at the time of the follow-up interview), we see that those who were employed full time at random assignment appeared to have somewhat worse jobs in their last employment spell before the two-year interview. Their hourly earnings were 46¢ (or 5.9 percent) lower than earnings of those in the control group, and they were less likely to have paid vacation or employer-provided health insurance.[21] There are different possible reasons for this worrisome finding. First, New Hope participants in this group may have been more likely to keep a job with which they were satisfied even if they could have found another job paying higher wages, because they had the program to fall back on for extra income and health care coverage. This may have reduced their incentive to look for higher-paying jobs with more employer-provided benefits. Also, it may be that the reduction in overtime work discussed above led to a concomitant reduction in the average hourly earnings, as overtime pay may have accompanied some of the overtime work. The vignette on page 133 illustrates how some full-time employed participants needed few program benefits.

As the lower panel of Table 4.5 shows, New Hope significantly *increased* work effort for those not employed full time at random assignment, which is consistent with the employment measures shown in earlier tables. Interestingly, all of this effect seems to have come from a reduction in the number of people in this group who did not work at all or who worked fewer than 30 hours a week if they did. The average program group member worked less than 30 hours a week for 10.3 months, 2.3 months less than the average control group member (effect size -0.27). Among New Hope participants in this group their last (or current) job was also significantly more likely to be a full-time position (effect size 0.16).

In Table 4.6 these same employment outcomes are presented for the larger group of sample members who were not employed full time at random assignment, again broken down into three groups by potential barriers to employment. Here the last column of the upper panel tells the story of this breakdown: none of the variation in impacts across the three barrier subgroups

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[20] These measures do not examine individual *jobs*, but rather individual *spells of employment*, which could consist of multiple jobs held simultaneously, consecutively, or both. The purpose of these measures is to capture stability of being employed, not job tenure in a particular job.

[21] Conversations with New Hope program staff suggested that many program participants preferred to use their New Hope health insurance until it ran out at the end of the three-year eligibility period. The survey question regarding health insurance did not clarify whether the employer *offered* health insurance that the participant declined. Therefore, the program-control difference in employer-provided health insurance benefits was probably smaller in actuality than reported by sample members and shown here. However, no such explanation exists for the difference in the hourly wage and vacation benefits.

Some New Hope Participants Already May Have Had Other Job-Provided Benefits, and/or May Have Wanted Services That New Hope Did Not Offer

New Hope recruited participants who were employed already and who had some of the benefits the program could offer. Many of these families needed and used benefits other than job assistance from New Hope. Some of these working parents hoped that New Hope could be an additional resource for them.

Marisa is twice divorced with five children, three of whom are grown and out of the home. Her two daughters are ages 11 and 13. She graduated from college in Puerto Rico with a degree in dental hygiene and worked there as a hygienist for a year, but could not easily transfer credentials. On coming to this country about 15 years ago, she got a low-paying factory job and then went on welfare for two years. For the past 11 years she has been working as a teacher's assistant in the Milwaukee public school (MPS) system. During the summer she is an unskilled worker on the production line in an industrial laboratory.

She signed up with New Hope hoping to get a job as a dental hygienist. She already had child care provided through the city of Milwaukee and excellent health care benefits through MPS. She told her case rep that she wanted information about places she might go to study for a nursing license. The rep gathered together some material and scheduled an appointment for both of them at one of the schools. Marisa was unable to keep that appointment and by the time she was able to get to New Hope several weeks later, her situation had changed and a new rep was working with her. "When I didn't get started on the dental job, I just forgot that New Hope existed. I just found a job for myself. So I just never thought again about New Hope."

Currently Marisa makes $30,000 a year still working 30 hours a week for MPS. She has a part-time job after her MPS job, as well as a summer job. She has a car and recently bought her own home. She has started studying to be an operating room technician. New Hope could not have offered the educational benefits that she requested, because it is a work-based program that offers only limited educational benefits associated with CSJ. Marisa might have kept after New Hope in order to get such help through referrals, just as New Hope might have kept in closer contact with her.

was statistically significant. That is, program impacts for the three groups were not significantly different from one another.

G. Employment Impacts for the Child and Family Study Sample

As discussed in Chapter 1, the Child and Family Study (CFS) sample was selected from the full New Hope sample to study more closely the effects of New Hope and its various components on the lives of families and children in the sample. In later chapters these effects are presented in detail, but here we examine New Hope's employment effects for the CFS sample and the two full-time employment subgroups within it. It was found that employment and earnings impacts for the full CFS sample were substantial and in some cases significantly larger than those found for the sample as a whole. CFS program group members earned $15,305 during the two years of follow-up compared with $13,846 for their counterparts in the control group. Although most of the difference was concentrated among those not employed full time at random assignment, differences in earnings impacts across the two employment subgroups were not statistically significant for the CFS. (Results are shown in Appendix Table L4.1).

H. Employment Impacts for Subgroups

Table 4.7 analyzes selected subgroups. The last column in the table shows the extent to which impact differences were statistically significantly.[22] As is often the case with analyses such as these — involving relatively small samples — most of the differences were not statistically significant, including breakdowns by neighborhood (Northside versus Southside) and gender. There were some noteworthy exceptions, however.

Those receiving AFDC at enrollment experienced a much larger employment effect in the first year than those not receiving AFDC. The relative increase in the number of quarters employed in the first year (26.2 percent) was larger than that found for any other subgroup analyzed. This finding probably reflects the provision of CSJs and the strong immediate employment incentives in the New Hope program, which differ from the usual welfare-to-work strategies for public assistance recipients. Such strategies often delay immediate employment in favor of education, training, job club, and work experience. The latter may be responsible for the significant drop-off in impacts during the second year, when controls, helped (and pushed) by the welfare department, would have found employment in larger numbers as well.

The other noteworthy subgroup difference is found in the lower three panels of Table 4.7, which show significant variation in earnings impacts across three ethnic groups. While African-American and Hispanic participants experienced statistically significant positive earnings impacts in the first year of follow-up, those impacts were negative (albeit insignificantly so) for sample members who were white.[23] Separate analyses found this pattern of impacts to be unrelated to full-time employment status at random assignment. Other analyses failed to produce a clear explanation for why the program would have had so much more success with African-

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[22] The p-values always show the significance of the variation in impacts for each subgroup *dimension*, even if not all possible groups within this dimension are shown in the table. For example, impacts for AFDC recipients were compared with impacts for those not receiving AFDC, which are not shown in the table. Another way to think about this p-value is that it captures the extent to which the subgroup dimension shown *matters* in the relative success of the program.

[23] No impacts are presented for other ethnic groups because of small sample sizes.

Table 4.7

The New Hope Project

Two-Year Impacts on Employment and Earnings: Selected Subgroups

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
AFDC Recipients							
Number of quarters employed							
Year 1	2.9	2.3	0.6 ***	0.000	26.2	0.41	0.013 ††
Year 2	2.9	2.6	0.3 ***	0.009	12.1	0.20	0.179
Both years	5.8	4.9	0.9 ***	0.000	18.7	0.34	0.029 ††
Earnings ($)							
Year 1	5,818	4,893	926 **	0.019	18.9	0.15	0.273
Year 2	7,098	7,023	75	0.876	1.1	0.01	0.866
Both years	12,916	11,915	1,001	0.207	8.4	0.08	0.669
Sample size	*300*	*324*					
Households Without Children							
Number of quarters employed							
Year 1	3.0	2.6	0.3 ***	0.009	13.0	0.23	0.648
Year 2	2.7	2.5	0.2	0.195	8.2	0.13	0.857
Both years	5.6	5.1	0.5 **	0.028	10.7	0.20	0.895
Earnings ($)							
Year 1	5,517	5,224	293	0.529	5.6	0.05	0.584
Year 2	6,345	5,713	632	0.300	11.1	0.09	0.241
Both years	11,862	10,938	924	0.352	8.5	0.07	0.646
Sample size	*201*	*192*					
Households With Two Recorded Wage Earners							
Number of quarters employed							
Year 1	3.1	2.7	0.4 **	0.042	16.0	0.29	0.870
Year 2	3.2	2.9	0.3	0.220	9.8	0.18	0.675
Both years	6.2	5.5	0.7 *	0.071	12.8	0.27	0.738
Number of quarters employed, second wage earner							
Year 1	1.9	2.1	-0.1	0.631	-6.2	-0.14	n/a
Year 2	2.2	2.0	0.2	0.520	9.1	0.19	n/a
Both years	4.1	4.1	0.1	0.913	1.4	0.03	n/a
Earnings ($)							
Year 1	8,928	8,986	-58	0.948	-0.7	-0.01	0.479
Year 2	10,839	11,113	-274	0.814	-2.5	-0.04	0.724
Both years	19,767	20,099	-332	0.862	-1.7	-0.03	0.585

(continued)

Table 4.7 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Earnings, second wage earner ($)							
Year 1	6,357	6,433	-75	0.950	-1.2	-0.02	n/a
Year 2	8,167	7,664	503	0.754	6.6	0.11	n/a
Both years	14,524	14,097	427	0.873	3.0	0.05	n/a
Sample size	*89*	*85*					
			Women				
Number of quarters employed							
Year 1	3.0	2.6	0.4 ***	0.000	15.1	0.27	0.945
Year 2	2.9	2.8	0.2 **	0.048	6.6	0.12	0.897
Both years	6.0	5.4	0.6 ***	0.000	10.8	0.22	0.907
Earnings ($)							
Year 1	6,701	6,049	652 **	0.035	10.8	0.10	0.747
Year 2	7,789	7,815	-26	0.947	-0.3	0.00	0.524
Both years	14,490	13,865	625	0.328	4.5	0.05	0.816
Sample size	*484*	*488*					
			Men				
Number of quarters employed							
Year 1	3.0	2.6	0.4 ***	0.003	15.6	0.28	
Year 2	2.8	2.6	0.2	0.199	8.0	0.13	
Both years	5.8	5.2	0.6 **	0.017	11.8	0.23	
Earnings ($)							
Year 1	7,173	6,736	436	0.462	6.5	0.07	
Year 2	8,146	7,630	517	0.495	6.8	0.07	
Both years	15,319	14,366	953	0.447	6.6	0.07	
Sample size	*194*	*191*					
			Target Area: Northside				
Number of quarters employed							
Year 1	3.2	2.7	0.5 ***	0.000	16.6	0.31	0.412
Year 2	2.9	2.7	0.2 **	0.050	7.9	0.14	0.716
Both years	6.1	5.4	0.7 ***	0.000	12.3	0.25	0.503
Earnings ($)							
Year 1	6,878	6,314	564	0.128	8.9	0.09	0.992
Year 2	7,495	7,610	-115	0.803	-1.5	-0.02	0.623
Both years	14,373	13,925	449	0.555	3.2	0.03	0.760
Sample size	*351*	*341*					

(continued)

Table 4.7 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Target Area: Southside							
Number of quarters employed							
Year 1	2.9	2.6	0.3 ***	0.003	12.9	0.23	
Year 2	2.9	2.8	0.2	0.191	5.6	0.10	
Both years	5.8	5.3	0.5 **	0.015	9.2	0.18	
Earnings ($)							
Year 1	6,766	6,195	570	0.173	9.2	0.09	
Year 2	8,228	7,995	233	0.664	2.9	0.03	
Both years	14,994	14,190	803	0.362	5.7	0.06	
Sample size	*327*	*338*					
Ethnic Group: African-American, non-Hispanic							
Number of quarters employed							
Year 1	3.2	2.6	0.5 ***	0.000	19.9	0.36	0.585
Year 2	2.9	2.6	0.3 ***	0.009	10.8	0.18	0.596
Both years	6.1	5.2	0.8 ***	0.000	15.4	0.30	0.523
Earnings ($)							
Year 1	6,636	5,526	1,110 ***	0.002	20.1	0.18	0.087 †
Year 2	7,150	6,816	334	0.448	4.9	0.05	0.507
Both years	13,786	12,342	1,444 **	0.043	11.7	0.11	0.233
Sample size	*351*	*346*					
Ethnic Group: Hispanic							
Number of quarters employed							
Year 1	3.0	2.6	0.4 ***	0.010	14.8	0.26	
Year 2	2.9	2.7	0.2	0.185	8.1	0.14	
Both years	5.9	5.3	0.6 **	0.028	11.4	0.23	
Earnings ($)							
Year 1	7,446	6,140	1,305 **	0.022	21.3	0.21	
Year 2	8,851	8,097	754	0.310	9.3	0.10	
Both years	16,297	14,237	2,060 *	0.090	14.5	0.16	
Sample size	*175*	*184*					
Ethnic Group: White, non-Hispanic							
Number of quarters employed							
Year 1	2.9	2.6	0.3	0.132	12.8	0.22	
Year 2	2.8	2.8	0.0	0.976	0.3	0.00	
Both years	5.7	5.4	0.3	0.413	6.3	0.13	
Earnings ($)							
Year 1	5,755	6,499	-744	0.365	-11.4	-0.12	
Year 2	7,210	8,024	-814	0.471	-10.2	-0.11	
Both years	12,965	14,523	-1,558	0.392	-10.7	-0.12	
Sample size	*87*	*89*					

(continued)

Table 4.7 (continued)

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

N/a = not applicable.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

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American participants and Hispanics than with their counterparts in other ethnic groups. A review of survey-based outcomes, similar to the analyses presented in Table 4.5, did not produce any statistically significant differences in impacts across the three ethnic groups.

VI. New Hope's Effects on Receipt of Public Assistance

In the year preceding their application to New Hope, nearly 70.6 percent of sample members reported receiving AFDC, Food Stamps, General Assistance, or Medicaid. However, by no means does New Hope serve only public assistance recipients as many other programs do. Chapter 3 showed that about 25 percent of applicants to the program had never received public assistance. Thus, New Hope was not designed or operated as a "welfare-to-work" program, intended to actively reduce public assistance rolls. One might expect New Hope services and benefits to affect public assistance receipt indirectly. As the program made work more attractive and employment a more feasible alternative to receiving public assistance, it may have enabled many families to reduce their reliance on public benefits.

Such an effect would go hand in hand with the changing welfare environment in Wisconsin and in the United States as a whole. As New Hope was implemented, the State of Wisconsin embarked on an ambitious overhaul of its welfare system, moving first to a program called Pay for Performance and then implementing Wisconsin Works (or W-2), which was not yet in effect during most of the follow-up period covered by this report. Both of these programs required public assistance recipients to work or participate in employment activities in return for receiving a welfare grant. Helped by the strong economy, the results were remarkable: welfare rolls in Wisconsin have shrunk by 57.0 percent between 1991 and 1997. In Milwaukee these caseload reductions were more limited, but still impressive at 38.0 percent.[24]

Given these very large reductions in public assistance receipt, the impact of New Hope on these outcomes might go two ways. On the one hand, the welfare changes provided program group members with an added incentive to seek employment and leave public assistance. Therefore, one might expect New Hope's effects on public assistance receipt to be strengthened. On the other hand, control group members also experienced increasing pressure from the welfare system. Such pressure on control group members could have offset New Hope's effects on the behavior of those receiving public assistance.

Tables 4.8 and 4.9 show impacts on receipt of AFDC and Food Stamps, as measured with administrative data obtained from the State of Wisconsin. Table 4.8 shows impacts for the full New Hope sample, broken down by full-time employment status at the time of random assignment, and Table 4.9 shows impacts for those not working full time at random assignment, divided by potential barriers to employment.

As Table 4.8 shows, New Hope had substantial impacts on public assistance receipt for those working full time at random assignment, especially in the second year after they entered the program. For example, 27.7 percent of program group members received AFDC in the second year, compared with 37.3 percent of controls, for a statistically significant difference of 9.6

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[24] Calculations based on data provided by the Wisconsin Department of Workforce Development. Figures for 1997 include AFDC and W-2 cases.

Table 4.8

The New Hope Project

Two-Year Impacts on Receipt of AFDC and Food Stamps, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Ever received AFDC (%)							
Year 1	46.9	50.3	-3.4	0.394	-6.7	-0.07	0.276
Year 2	27.7	37.3	-9.6 **	0.022	-25.7	-0.19	0.016 ††
Both years	48.1	55.3	-7.2 *	0.065	-13.0	-0.15	0.020 ††
Number of months receiving AFDC							
Year 1	3.3	3.4	-0.1	0.761	-3.0	-0.02	0.807
Year 2	1.9	2.6	-0.8 **	0.027	-29.3	-0.17	0.017 ††
Both years	5.2	6.0	-0.9	0.150	-14.5	-0.10	0.125
Amount of AFDC received ($)							
Year 1	1,341	1,396	-56	0.748	-4.0	-0.02	0.839
Year 2	736	1,181	-445 **	0.011	-37.7	-0.19	0.034 ††
Both years	2,077	2,578	-501	0.100	-19.4	-0.11	0.184
Ever received Food Stamps (%)							
Year 1	62.2	64.2	-2.0	0.600	-3.1	-0.05	0.266
Year 2	45.3	52.3	-6.9	0.110	-13.3	-0.14	0.121
Both years	64.8	68.7	-3.9	0.298	-5.7	-0.09	0.188
Number of months receiving Food Stamps							
Year 1	5.0	5.3	-0.3	0.444	-5.2	-0.06	0.666
Year 2	3.5	4.5	-1.0 **	0.016	-22.0	-0.20	0.004 †††
Both years	8.5	9.8	-1.3 *	0.067	-12.9	-0.14	0.050 †
Amount of Food Stamps received ($)							
Year 1	1,238	1,305	-67	0.577	-5.1	-0.04	0.688
Year 2	893	1,167	-274 **	0.029	-23.5	-0.18	0.003 †††
Both years	2,131	2,473	-341	0.129	-13.8	-0.12	0.057 †
Sample size	*218*	*200*					
Not Employed Full Time at Random Assignment							
Ever received AFDC (%)							
Year 1	64.6	63.1	1.4	0.463	2.2	0.03	
Year 2	48.7	46.3	2.4	0.376	5.1	0.05	
Both years	66.9	64.0	2.9	0.137	4.5	0.06	
Number of months receiving AFDC							
Year 1	5.9	5.9	0.0	0.985	-0.1	0.00	
Year 2	3.9	3.6	0.3	0.303	7.6	0.06	
Both years	9.8	9.5	0.3	0.534	2.8	0.03	

(continued)

Table 4.8 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Amount of AFDC received ($)							
Year 1	2,951	2,962	-11	0.935	-0.4	0.00	
Year 2	1,716	1,690	26	0.848	1.6	0.01	
Both years	4,668	4,652	15	0.949	0.3	0.00	
Ever received Food Stamps (%)							
Year 1	80.4	77.7	2.7	0.151	3.5	0.06	
Year 2	63.6	62.6	0.9	0.723	1.5	0.02	
Both years	81.6	79.9	1.6	0.390	2.0	0.04	
Number of months receiving Food Stamps							
Year 1	7.4	7.5	-0.1	0.674	-1.2	-0.02	
Year 2	5.6	5.2	0.4	0.124	8.4	0.09	
Both years	13.0	12.7	0.3	0.445	2.7	0.04	
Amount of Food Stamps received ($)							
Year 1	1,827	1,837	-10	0.896	-0.5	-0.01	
Year 2	1,418	1,242	176 **	0.037	14.2	0.12	
Both years	3,245	3,079	167	0.250	5.4	0.06	
Sample size	*459*	*476*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 4.9

The New Hope Project

Two-Year Impacts on Receipt of AFDC and Food Stamps for Those Not Employed Full Time at Random Assignment, by Number of Potential Barriers to Employment[a]

	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
No Potential Barriers							
Number of months receiving AFDC							
Year 1	4.5	5.2	-0.6	0.172	-12.2	-0.13	0.247
Year 2	2.8	3.2	-0.5	0.316	-15.3	-0.11	0.125
Both years	7.3	8.4	-1.1	0.179	-13.4	-0.13	0.108
Amount of AFDC received ($)							
Year 1	2,028	2,336	-309	0.204	-13.2	-0.11	0.256
Year 2	1,145	1,280	-136	0.533	-10.6	-0.06	0.472
Both years	3,172	3,617	-444	0.273	-12.3	-0.10	0.267
Number of months receiving Food Stamps							
Year 1	6.1	6.7	-0.6	0.144	-9.2	-0.13	0.198
Year 2	4.3	4.2	0.1	0.883	1.8	0.02	0.385
Both years	10.3	10.9	-0.5	0.510	-5.0	-0.06	0.221
Amount of Food Stamps received ($)							
Year 1	1,285	1,363	-79	0.546	-5.8	-0.05	0.183
Year 2	940	817	123	0.334	15.1	0.08	0.026 ††
Both years	2,225	2,181	44	0.846	2.0	0.02	0.039 ††
Sample size	*141*	*124*					
One Potential Barrier							
Number of months receiving AFDC							
Year 1	6.0	5.8	0.2	0.489	4.2	0.05	
Year 2	3.6	3.1	0.4	0.245	14.5	0.10	
Both years	9.6	8.9	0.7	0.288	7.8	0.08	
Amount of AFDC received ($)							
Year 1	2,847	2,818	29	0.889	1.0	0.01	
Year 2	1,491	1,490	1	0.996	0.1	0.00	
Both years	4,338	4,308	30	0.934	0.7	0.01	
Number of months receiving Food Stamps							
Year 1	7.3	7.3	0.0	0.978	0.1	0.00	
Year 2	5.5	5.1	0.4	0.377	7.6	0.08	
Both years	12.8	12.4	0.4	0.569	3.2	0.04	
Amount of Food Stamps received ($)							
Year 1	1,722	1,806	-84	0.467	-4.6	-0.05	
Year 2	1,246	1,259	-13	0.916	-1.1	-0.01	
Both years	2,968	3,065	-97	0.659	-3.2	-0.03	
Sample size	*192*	*194*					

(continued)

Table 4.9 (continued)

	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
Two Potential Barriers or More							
Number of months receiving AFDC							
Year 1	7.1	6.9	0.3	0.496	3.9	0.05	
Year 2	5.4	4.5	0.9 *	0.081	20.8	0.21	
Both years	12.6	11.3	1.2	0.150	10.6	0.14	
Amount of AFDC received ($)							
Year 1	3,993	3,705	288	0.297	7.8	0.10	
Year 2	2,618	2,286	332	0.292	14.5	0.15	
Both years	6,611	5,991	620	0.233	10.4	0.13	
Ever received Food Stamps (%)							
Year 1	88.8	85.9	2.8	0.369	3.3	0.06	
Year 2	75.2	70.6	4.6	0.318	6.5	0.09	
Both years	89.4	86.7	2.6	0.381	3.0	0.06	
Number of months receiving Food Stamps							
Year 1	8.8	8.4	0.4	0.290	5.1	0.09	
Year 2	7.3	6.2	1.1 **	0.046	17.6	0.22	
Both years	16.1	14.6	1.5 *	0.078	10.5	0.17	
Amount of Food Stamps received ($)							
Year 1	2,523	2,274	249	0.115	11.0	0.16	
Year 2	2,157	1,568	589 ***	0.002	37.5	0.39	
Both years	4,680	3,843	838 ***	0.007	21.8	0.29	
Sample size	*126*	*158*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and Wisconsin Department of Workforce Development AFDC and Food Stamp records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[b] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[c] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

percentage points. This translates into a 0.8 month (or 29.3 percent) reduction of the time these participants received AFDC during the second year. The reduction in the amount of benefits received is even larger, at 37.7 percent ($445). These are moderate-sized effects, with effect sizes of -0.19, -0.17, and -0.19 respectively, but in their relative size they far exceed any of the employment effects found for this group. The pattern of impacts was similar for receipt of Food Stamps, whose dollar value in year 2 was 23.5 percent lower for program group members than for controls (effect size -0.18).

An interesting question is why these effects took a full year to materialize. In most programs, especially traditional welfare-to-work programs, impacts on welfare dependency are strongest immediately after public assistance recipients enter the program.[25] Program effects tend to diminish as the easier cases leave welfare, the hardest to serve remain, and controls "catch up." In the case of New Hope, the dynamics were clearly different. Unlike welfare-to-work programs, New Hope did not actively seek to move participants off the welfare rolls. Instead, project representatives offered employment assistance and financial support. Over time, continued access to such financial support and improving employment outcomes may have provided participants with a growing incentive to leave public assistance. At the same time, higher earnings would have caused their benefits to shrink, and the welfare bureaucracy was becoming more demanding, increasing the hassle associated with public assistance receipt. All of these factors could have reduced the actual and perceived value of these benefits to participants.

The lower panel of Table 4.8 shows public assistance impacts for sample members who were not employed full time when they first applied to New Hope. As was shown above, program effects on employment and earnings were larger for this group, which means that one might expect to find substantial public assistance impacts for the group as well. However, the table shows that impacts on receipt of AFDC and Food Stamps were generally insignificant, with the exception of an *increase* in the amount of Food Stamps received in the second year of follow-up. Participants' AFDC receipt did decrease over time (from 5.9 months on average in the first year to 3.9 months in the second year), but these reductions were not larger than those experienced by controls, despite the employment effects discussed earlier. Thus, Table 4.8 offers a rather puzzling pattern of impact findings. The box on page 145 presents results from a nonexperimental analysis exploring these issues further.

Table 4.9 shows impacts on the receipt of AFDC and Food Stamps for the three subgroups defined by their potential barriers to employment. It appears that any reductions in public assistance receipt were limited to the first group: those not working full time at random assignment, but having none of the identified potential barriers to employment. However, none of the program-control group differences shown, and few of the differences in impacts across the three groups, were statistically significant. The second group experienced no statistically significant impacts on their receipt of public assistance at all, and the third group (those with two barriers or more) actually experienced significantly *higher* levels of public assistance receipt. In this respect,

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[25] See, for example, Friedlander and Burtless, 1995, pp. 95-101.

Explaining Patterns of AFDC Impacts

The experimental impact analysis showed that AFDC impacts were concentrated among sample members who were employed full time when they entered the study, while the employment impacts were strongest in the other subgroup. This inconsistency occurs frequently in welfare and employment research and has puzzled many other researchers.[1]

In the case of New Hope, the inconsistency seems largely accounted for by differences in the use and effects of earnings supplements in the two employment subgroups. First, participants who were employed full time at random assignment received more earnings supplements ($1,126 versus $814 for the other group). Second, further analysis suggests that these earnings supplements had stronger effects on their AFDC receipt than was the case in the other group.[2]

A factor that played a particularly important role for those employed full time at random assignment was the accumulation of earnings supplements over time. The analysis showed that as these participants accumulated extended periods of earnings supplements, their probability of being on welfare in subsequent months declined rapidly ($500 in total accumulated supplements was predicted to reduce AFDC receipt in *every* subsequent month by about 4 percent). Apparently, sample members who accumulated earnings supplements over time either lost their eligibility for AFDC because their income became too large or attained enough financial stability to prompt them to leave AFDC and remain off. Which of these explanations was more important is difficult to determine, because income eligibility for AFDC varied with family size and also was not reestablished every month.

These effects were delayed until the second year of follow-up either because participants decided to leave welfare only after an extended period of relative financial security or because welfare rules caught up with their additional income only after some time had passed.

In these analyses, the effect of accumulating earnings supplements on AFDC receipt was much weaker for those who were not employed full time at random assignment. It seems that earnings in this group, even with the supplement, remained too low to make these participants self-sufficient.

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[1] See, for example, Orr and Beecroft, 1996; Riccio et al., 1994; and Friedlander and Burtless, 1995.

[2] All of these findings are based on an analysis of variation in earnings, earnings supplements, and welfare receipt over time. The analysis was conducted as follows: for each sample member who was ever on AFDC during the follow-up period, we created an observation for each follow-up month and then looked at how welfare receipt in that month related to earnings, earnings supplements received, and a series of control variables. The resulting regression coefficients show how sample members' welfare status changes as the other variables change over time.

the patterns of public assistance use in the control group are quite revealing. Between the first and second years of follow-up, controls who had multiple barriers to employment received 38.3 percent less in AFDC payments and 31.0 percent less in Food Stamps. This possibly reflects the growing efforts of the welfare department during these years to remove even this very disadvantaged group from the welfare rolls. Although similar reductions in public assistance receipt occurred among program group members, they were less dramatic, at 34.4 and 14.5 percent for AFDC and Food Stamps, respectively. It is unclear why these reductions in public assistance income were smaller for New Hope participants, but it is possible that program staff offered these struggling participants help and encouragement in coping with the hassle of dealing with the welfare bureaucracy. It is also possible that some recipients, by participating in New Hope, satisfied the participation requirements enforced by their welfare caseworkers, thereby reducing their risk of losing benefits due to sanctions or being forced off the rolls altogether.

Chapter 5

New Hope's Effects on Material Well-Being, Psychological Well-Being, and Time Use

This chapter presents the impacts of New Hope on family income and access to basic necessities (food, housing) as well as on participants' psychological well-being and time use.

I. Key Findings

- New Hope increased family income for those not employed full time at random assignment. It also increased the number of sample members whose earnings-related income exceeded the federal poverty standard.
- New Hope reduced material hardship, mostly by increasing access to medical and dental care and by reducing periods without health insurance.
- New Hope reduced sample members' stress and worries and increased their feelings of social support. The program also increased sample members' hopefulness about achieving their goals.

II. The Path Between Income and Well-Being

Most of the benefits available in the New Hope program were intended to improve income for participants who worked full time (30 hours a week or more). Earnings supplements were designed to add income directly, and, for some participants, the health and child care benefits may also have added to disposable income by reducing the out-of-pocket costs for health insurance and child care. Increases in income would be expected to reduce material hardship by enabling participants to buy basic necessities.

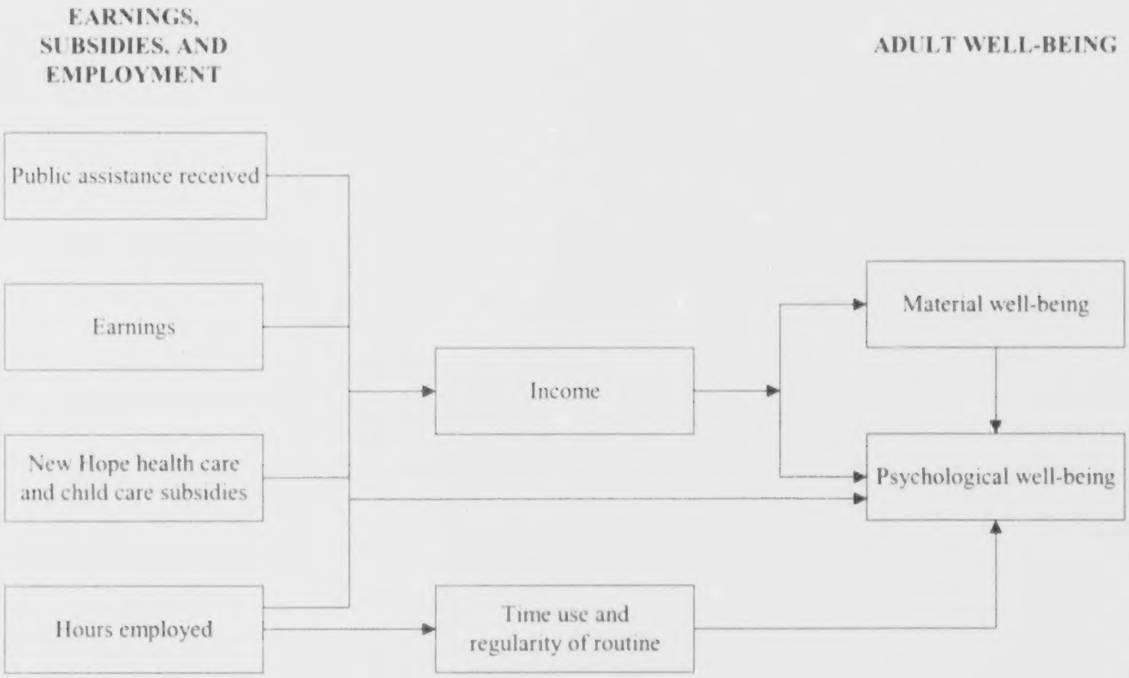
Figure 5.1 expands one portion of the overall conceptual model presented in Chapter 1 (Figure 1.4). Increases in employment and earnings, reported in Chapter 4, are likely to improve material and psychological well-being. In most instances, adults who are employed full time and whose income is increasing are likely to feel reduced stress and worry about finances; because work is highly valued in our society, regular employment may also contribute to a sense of self-worth, personal efficacy, and status. On the other hand, negative work experiences can cause stress and a reduced sense of well-being.

The potential effects of New Hope on sample members' time use depend on their employment status at random assignment. For most of the adults in the New Hope sample (those not employed full time at random assignment), the 30-hour work requirement would be expected to increase hours of employment, as it did (Chapter 4). For these adults, time for their families, for household tasks, and for leisure would be reduced and they might be expected to feel more time pressure.

Figure 5.1

The New Hope Project

Conceptual Model of the Paths Between Income and Adult Well-Being


EARNINGS, SUBSIDIES, AND EMPLOYMENT
ADULT WELL-BEING
Public assistance received
Earnings
New Hope health care and child care subsidies
Hours employed
Income
Time use and regularity of routine
Material well-being
Psychological well-being

Increased employment might also affect the regularity of routines in the household. Policymakers often argue that when adults must report for work regularly, they will organize their family and household routines for meals, children's bedtimes, and school more regularly as well.

Members of a smaller group in the New Hope sample, whose weekly hours of work exceeded 40 (often because they were engaged in multiple jobs) might reduce their work hours as the result of the income supplement. For people with children, reducing hours of work to 40 or fewer could have positive effects on family life,[1] such as reduced stress and more time for family and other activities.

III. Data Sources

The findings presented in this chapter draw on administrative records, including the unemployment insurance (UI) earnings records described in Chapter 4, and on the two-year follow-up survey, which was completed by 1,086 sample members (or 80.0 percent of the full sample). Family income assessments are based on UI records of earnings from employment and data from several other administrative sources, including the Wisconsin tax system (a source of information on use of the federal and Wisconsin Earned Income Credits), the AFDC system, and Food Stamp databases. For New Hope participants, these data are supplemented with measures of program benefits, such as the earnings supplements, earnings from community service jobs (CSJs), and health and child care benefits, all collected from New Hope program administrators.

As discussed in Chapter 4, these administrative data sources enable us to construct longitudinal measures, showing how participants fared over time, but they do not cover all possible sources of household income. Most data are available for only one person in each household. Also, many income sources are not captured by the administrative data collected, but may be very important to some households. Examples include General Assistance, Supplemental Security Income (SSI), alimony or child support, and financial help from family and friends. Fortunately, the two-year follow-up survey enables us to assess the extent of underreporting in the continuous administrative data. Survey respondents were asked to list all income sources for the month preceding the survey, including income from household members other than themselves. Impact estimates using these income measures are included in Appendix G and can be compared with those presented in this chapter.

The findings presented in this chapter on material hardship and housing, psychological well-being, and time use are based on two-year survey responses. Some are available for the full sample of 1,086 adults. Others were collected only from the Child and Family Study (CFS) sample of parents.

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[1] Parcel and Menaghan, 1994.

IV. Impacts on Income and Poverty

A. Impacts on Individual Income

New Hope's primary goal is to increase the income of low-wage workers and to reduce poverty among them. This section examines program effects on various sources of family income, including earnings, Earned Income Credit (EIC) benefits,[2] New Hope earnings supplements, AFDC, and Food Stamps.

Table 5.1 shows these income measures for each of the two follow-up years, broken down by full-time employment status at random assignment. The two panels of this table show very different results for the two employment subgroups.[3] Those working full time at random assignment experienced no impacts on their income in the first year and actually lost some income in the second year. During the first year, the program's earnings supplements appear to have been offset somewhat by reductions in earnings and public assistance. However, all these effects were small and not statistically significant. In the second year, both reductions in earnings and reductions in public assistance receipt accelerated, more than offsetting the contribution by New Hope in the form of its earnings supplement. Overall, it seems that New Hope failed to improve the financial situation of these participants, not considering the value of other program benefits, such as child care and health insurance. However, participants did receive less of their income from AFDC and Food Stamps and more from sources connected to their own work. Also, New Hope's provision of health insurance and child care subsidies increased participants' *disposable* income by reducing their out-of-pocket expenses for health insurance and child care (not shown in these tables).

The lower panel of Table 5.1 shows, more positively, that in both follow-up years those not employed full time at random assignment experienced significant increases in their income, exceeding $100 per month. Expressed in terms of effect sizes, these income gains would be considered small to moderate, at 0.19 and 0.16 for years 1 and 2, respectively.[4] In the first year most of this increase came from higher earnings, supplemented by New Hope, while in the second year increased EIC benefits and higher Food Stamp amounts contributed as well. However, not all news was good for this group. Most notably, the table shows that total income, measured this way, did not increase from year 1 to year 2. Any earnings gains and increases in EIC benefits were accompanied by reductions in AFDC, and, to a lesser extent, in Food Stamps. Thus, while

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[2] The EIC is an important additional source of cash income for low-income families, especially those who have children. In the case of New Hope, EIC benefits accrue on both the federal and the state level. Wisconsin's state EIC is limited to low-income workers who have children and essentially credits these taxpayers with an additional percentage of the federal EIC. The benefit structure in Wisconsin differs from the federal EIC in that it provides substantial additional benefits for families with more than two children (the federal EIC lumps together all families who have more than one child). The analysis of EIC benefits presented here uses data from the Wisconsin Department of Taxation. Because individual-level data were considered too sensitive, estimates are based on average rates of EIC use in a large number of relatively homogeneous subgroups. The innovative procedure used to produce these estimates is explained in detail in Appendix H.

[3] The p-values in the last column indicate that these respective patterns of impacts for the two employment subgroups were statistically significantly different from one another.

[4] Effect sizes are calculated by dividing the program effect by the standard deviation of the outcome, which produces a statistic whose size is consistent across different outcomes, regardless of their scale and underlying variation.

Table 5.1

The New Hope Project

Two-Year Impacts on Income from Selected Sources, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
In year 1, income from ($)							
Earnings	10,227	10,480	-253	0.629	-2.4	-0.04	0.055 †
EIC benefits	1,312	1,369	-57	0.660	-4.2	-0.05	0.556
Earnings supplement	630	0	630	n/a	n/a	n/a	n/a
AFDC	1,341	1,396	-56	0.748	-4.0	-0.02	0.839
Food Stamps	1,238	1,305	-67	0.577	-5.1	-0.04	0.688
All of the above	14,748	14,561	187	0.734	1.3	0.03	0.076 †
In year 2, income from ($)							
Earnings	10,662	11,550	-889	0.183	-7.7	-0.12	0.082 †
EIC benefits	1,358	1,390	-32	0.820	-2.3	-0.02	0.124
Earnings supplement	496	0	496	n/a	n/a	n/a	n/a
AFDC	736	1,181	-445 **	0.011	-37.7	-0.19	0.034 ††
Food Stamps	893	1,167	-274 **	0.029	-23.5	-0.18	0.003 †††
All of the above	14,146	15,294	-1,148 *	0.085	-7.5	-0.14	0.002 †††
Sample size	*218*	*200*					
Not Employed Full Time at Random Assignment							
In year 1, income from ($)							
Earnings	5,295	4,380	916 ***	0.004	20.9	0.15	
EIC benefits	699	671	28	0.659	4.2	0.02	
Earnings supplement	418	0	418	n/a	n/a	n/a	
AFDC	2,951	2,962	-11	0.935	-0.4	0.00	
Food Stamps	1,827	1,837	-10	0.896	-0.5	-0.01	
All of the above	11,190	9,843	1,347 ***	0.000	13.7	0.19	
In year 2, income from ($)							
Earnings	6,602	6,129	473	0.253	7.7	0.06	
EIC benefits	1,081	862	219 ***	0.010	25.4	0.16	
Earnings supplement	396	0	396	n/a	n/a	n/a	
AFDC	1,716	1,690	26	0.848	1.6	0.01	
Food Stamps	1,418	1,242	176 **	0.037	14.2	0.12	
All of the above	11,213	9,915	1,298 ***	0.003	13.1	0.16	
Sample size	*459*	*476*					

(continued)

Table 5.1 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin tax data.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

Rounding and regression adjustment may cause slight discrepancies in calculating sums and differences.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

New Hope made its participants better off than they would have been without the program, their incomes did not continue to rise in year 2.

Use of EIC Benefits

The EIC impacts presented in this chapter are based on aggregate data from the Wisconsin Dept. of Taxation. From these data it is possible to calculate the exact rates of tax filing and EIC receipt for each of the three tax years from 1994 through 1996. The table below summarizes the results, showing that New Hope had little impact on the actual rate of EIC receipt (or the rate of tax filing), although the program did affect the amount received for some groups, by increasing their earnings.

	Program Group	Control Group	Difference
Filing rate (%)			
1994	48.7	50.4	-1.6
1995	66.7	63.6	3.0
1996	70.1	65.6	4.4
EIC benefits received (%)			
1994	29.2	30.3	-1.1
1995	45.0	43.2	1.8
1996	47.9	45.9	1.9

NOTE: Tests of statistical significance were not conducted.

Table 5.2 presents income effects for those not employed full time at random assignment for three smaller groups introduced in earlier chapters and defined by a number of potential barriers to employment. An interesting pattern of impacts emerges, especially in the second year of follow-up. While the "no potential barrier" group did not experience significant income gains in either of the two years of follow-up, the other two subgroups did much better, but for different reasons. Earnings gains for the group with one potential barrier, enhanced by the earnings supplement and the EIC, resulted in substantial income gains throughout the two-year follow-up period. During the second year, the measured income of New Hope participants in this group was $2,325 higher than that of controls, a sizable effect at 25.2 percent of the control group average, resulting in an effect size of 0.29. However, those with two potential barriers or more were not far behind, with a comparable income gain of $1,894, or 18.2 percent (effect size 0.24). However, increased transfer income, rather than earnings gains, accounted for the impact on income for this group. In addition to receiving the earnings supplement and higher EIC benefits, partici-

Table 5.2

The New Hope Project

Two-Year Impacts on Income from Selected Sources for Those Not Employed Full Time at Random Assignment, by Number of Potential Barriers to Employment[a]

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
No Potential Barriers							
In year 1, income from ($)							
Earnings	5,810	5,319	490	0.440	9.2	0.08	0.558
EIC benefits	647	682	-35	0.773	-5.1	-0.03	0.893
Earnings supplement	394	0	394	n/a	n/a	n/a	n/a
AFDC	2,028	2,336	-309	0.204	-13.2	-0.11	0.256
Food Stamps	1,285	1,363	-79	0.546	-5.8	-0.05	0.183
All of the above	10,163	9,724	439	0.508	4.5	0.06	0.302
In year 2, income from ($)							
Earnings	6,427	7,449	-1,022	0.209	-13.7	-0.14	0.028 ††
EIC benefits	819	842	-23	0.879	-2.7	-0.02	0.234
Earnings supplement	372	0	372	n/a	n/a	n/a	n/a
AFDC	1,145	1,280	-136	0.533	-10.6	-0.06	0.472
Food Stamps	940	817	123	0.334	15.1	0.08	0.026 ††
All of the above	9,703	10,409	-706	0.409	-6.8	-0.09	0.017 ††
Sample size	*141*	*124*					
One Potential Barrier							
In year 1, income from ($)							
Earnings	5,481	4,228	1,254 **	0.010	29.7	0.20	
EIC benefits	733	695	37	0.714	5.4	0.03	
Earnings supplement	420	0	420	n/a	n/a	n/a	
AFDC	2,847	2,818	29	0.889	1.0	0.01	
Food Stamps	1,722	1,806	-84	0.467	-4.6	-0.05	
All of the above	11,203	9,550	1,653 ***	0.003	17.3	0.24	
In year 2, income from ($)							
Earnings	7,245	5,555	1,690 ***	0.009	30.4	0.23	
EIC benefits	1,223	905	318 **	0.023	35.1	0.23	
Earnings supplement	336	0	336	n/a	n/a	n/a	
AFDC	1,491	1,490	1	0.996	0.1	0.00	
Food Stamps	1,246	1,259	-13	0.916	-1.1	-0.01	
All of the above	11,541	9,217	2,325 ***	0.001	25.2	0.29	
Sample size	*192*	*194*					

(continued)

Table 5.2 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
Two Potential Barriers or More							
In year 1, income from ($)							
Earnings	4,475	3,850	625	0.274	16.2	0.10	
EIC benefits	677	651	26	0.828	4.1	0.02	
Earnings supplement	450	0	450	n/a	n/a	n/a	
AFDC	3,993	3,705	288	0.297	7.8	0.10	
Food Stamps	2,523	2,274	249	0.115	11.0	0.16	
All of the above	12,118	10,449	1,669 **	0.013	16.0	0.24	
In year 2, income from ($)							
Earnings	5,886	5,713	173	0.817	3.0	0.02	
EIC benefits	1,100	865	235	0.144	27.2	0.17	
Earnings supplement	518	0	518	n/a	n/a	n/a	
AFDC	2,618	2,286	332	0.292	14.5	0.15	
Food Stamps	2,157	1,568	589 ***	0.002	37.5	0.39	
All of the above	12,279	10,385	1,894 **	0.021	18.2	0.24	
Sample size	*126*	*158*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin tax data.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

N/a = not applicable.

Rounding and regression adjustment may cause slight discrepancies in calculating sums and differences.

[a] Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[b] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[c] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

pants in this group apparently experienced smaller reductions in AFDC and Food Stamp receipt than their counterparts in the control group, as discussed in Chapter 4.

B. Impacts on Income for the Child and Family Study Sample

Impacts on family income were calculated separately for the CFS sample. These impacts are shown in Appendix Table L5.1. The pattern of impacts in this subsample was similar to that for the full sample, but impacts on earnings and on total income in the first year of follow-up were stronger for the CFS sample than for the sample as a whole.

Among people employed full time at random assignment, the CFS sample did not show the significant reduction in income that characterized this subgroup in the sample as a whole; the impact of New Hope on their income was neither consistently positive nor consistently negative.

C. Impacts on Family Poverty Status

Calculating impacts on poverty is difficult for a number of reasons. As noted in the introduction to this chapter, the data sources available for these analyses do not cover all the various income sources available to each New Hope family. Analyses of survey data (shown in Appendix G) suggest that these missed income sources constitute only a relatively small proportion of the total income available to the average New Hope sample member. Thus, *on average*, the income figures presented in the previous section are reasonably close to the actual income available to these families. However, the distribution of missed income is very uneven.

For example, only 9 percent of all sample members reported income from spousal earnings at the time of follow-up, but for those who did the amount of that income exceeded their own earnings. Similarly, only 3.4 percent of the sample received UI benefits in the month before the interview, but those who did received $448 on average. The list goes on: eight sample members received an average of $201 in General Assistance, 83 received an average of $473 in Social Security benefits, and 285 received an average of $84 in WIC benefits. Therefore, omitting just one of these income sources from the analysis has severe consequences for the estimated income of those who receive it. While this does not affect measures of central tendency, such as the average income measures presented above, it does affect measures of income *distribution*, such as families' poverty status. Consequently, creating a poverty measure based on the items shown in Tables 5.1 and 5.2 would result in severely overestimated poverty rates.

An alternative approach would be to use survey data to estimate poverty rates. As noted, a comprehensive list of possible income sources was included in the two-year follow-up survey, which means that estimates of family income for the month preceding the interview are probably quite accurate. However, it is just as difficult to develop an acceptable poverty measure from these data as it was from the incomplete administrative data because these survey measures covered only one month, while family income is generally thought of, and compared with national standards, on an annual basis. Month-to-month fluctuations in many income sources are substantial, especially for low-income families. Thus, someone whose current job might lift her family out of poverty if she kept it for an entire year might lose that job a month from now, making annualized income measures based on monthly data too optimistic.

Another problem with estimating poverty rates is that these measures use cutoff levels that are directly tied to family size. Aside from the difficulty of defining who is part of a given family, measures of family size are subject to variation over time. Children are born, spouses, siblings, and parents come and go; and with each of these changes, both the actual family circumstances and the formal measures of poverty status change. Although the New Hope survey collected detailed information on family composition, it does not permit accurate identification of a household's composition at different times during the follow-up period, which makes precise estimation of poverty status very difficult.

Finally, the usefulness of the widely used federal poverty measure is being questioned.[5] Currently, the National Academy of Sciences and other organizations are involved in efforts to develop new measures of poverty that better reflect the actual circumstances facing low-income families and better represent the incidence of poverty across the United States.[6]

All of these issues limit the usefulness (and appropriateness) of a traditional analysis of poverty status in this report.[7] However, it may be useful to present impacts on a different poverty measure that is both easier to develop and more directly related to New Hope's goals. Such a measure relates the federal poverty standard to that portion of family income that is directly tied to sample members' work efforts, namely, the sum of their earnings, their EIC benefits, and (for program participants) the New Hope supplement. The question is whether this "earnings-related" income exceeds the poverty level for a sample member's household.

Table 5.3 compares earnings-related income (including individual earnings, EIC benefits, and New Hope supplements) with the federal poverty standard for a family of the size reported by survey respondents at the time of the interview. This measure captures less than the actual income available to these families during the year and the reported rates therefore do not correspond with traditional poverty rates. Instead, these rates identify the percentage of sample members whose *individual* earnings and related benefits were sufficient to lift their family out of poverty. In addition to showing what percentage of sample members had earnings-related income above the poverty level, the table shows — for the second year of follow-up — what percentage of sample members had earned incomes that exceeded the poverty standard by 25, 50, and 100 percent.

Three findings emerge from this table. First, in both employment subgroups, fewer than half of all sample members had earnings-related income high enough to lift their family out of poverty. This does not mean that all these families lived below the poverty level, only that all of them needed income from a second wage earner or income from public assistance to reach the federal poverty level for their family's size.

Second, New Hope increased the number of individuals who *were* able to escape poverty with only their earnings and income directly related to their work effort. These impacts were modest and statistically significant only for those who were not employed full time at random assignment. Effect sizes ranged from 0.13 to 0.18. However, the difference in impacts across the subgroups was not statistically significant, suggesting that both groups of sample members benefited from the program as far as this outcome was concerned. Third, among those not employed

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[5] Weinberg, 1996.

[6] Citro and Michael, 1995.

[7] In fact, one might argue that many publications and evaluation reports have presented incorrect measures of family poverty.

Table 5.3

The New Hope Project

Two-Year Impacts on Relationship of Earnings-Related Income to Federal Poverty Standard, by Full-Time Employment Status at Random Assignment[a]

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[b]	P-Value for Difference Between Panels[c]
Employed Full Time at Random Assignment							
Earnings-related income above the poverty standard (%)							
Year 1	46.7	41.5	5.2	0.307	12.5	0.12	0.940
Year 2	50.7	43.8	6.9	0.168	15.8	0.15	0.817
Year 2 earnings-related income exceeded standard by: (%)							
25%	33.7	32.2	1.5	0.765	4.5	0.04	0.573
50%	20.5	17.9	2.6	0.520	14.7	0.08	0.854
100%	4.4	6.0	-1.6	0.498	-27.1	-0.08	0.667
Sample size	*187*	*162*					
Not Employed Full Time at Random Assignment							
Earnings-related income above the poverty standard (%)							
Year 1	16.3	10.7	5.6 **	0.019	52.4	0.13	
Year 2	26.9	18.6	8.2 ***	0.006	44.3	0.18	
Year 2 earnings-related income exceeded standard by: (%)							
25%	15.9	11.4	4.5 *	0.064	40.1	0.11	
50%	8.9	7.1	1.8	0.359	25.2	0.06	
100%	3.2	3.6	-0.4	0.739	-12.3	-0.02	
Sample size	*365*	*369*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Earnings-related income combines earnings, EIC and the New Hope supplement. This measure could only be calculated one's for two-year survey respondents.

[b] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[c] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

full time at random assignment, New Hope also increased the number whose earnings-related income exceeded 25 percent of the poverty standard. The table also shows that New Hope did not boost earned income much beyond that point, which reflects the structure of the program's financial incentives.

Best Case Scenario: Income and Poverty for Those Working at Least 1,200 Hours

The effects of programs such as New Hope are limited by the fact that not everyone continues to meet the participation requirements and take full advantage of the program offer. As discussed in Chapter 3, few participants received benefits throughout the two-year follow-up period. But what happens if people do work a considerable amount throughout the year, making them eligible for earnings supplements and other New Hope benefits most of that time? Are their incomes increased substantially? Do they work their way out of poverty as planned?

To explore this, we estimated program effects on income and poverty status for sample members who worked 1,200 hours or more in a year (this is not a true experimental comparison: there may be systematic differences between program and control group members in this subgroup). This table summarizes the results of the analysis.

	Program Group	Control Group	Difference
Year 1 total income ($)	14,585	13,689	896 **
Year 1 earnings-related income ($)	11,245	10,249	995 **
Year 1 earnings-related income above the poverty standard (%)	37.6	31.2	6.4 *
Year 2 total income ($)	15,098	15,057	40
Year 2 earnings-related income ($)	12,840	12,684	155
Year 2 earnings-related income above the poverty standard (%)	48.2	40.1	8.1 **

This table shows how, as expected, the program substantially increased the number of individuals in this group of sample members whose income exceeded the poverty standard. On the other hand, substantial numbers of program and control group members working 1,200 hours or more continued to have earnings-related income below the federal poverty line, requiring the help of a second wage earner to make ends meet.

In interpreting these findings, it is important to keep in mind that all the income measures include only cash income. This means that important New Hope benefits, such as health insurance and child care subsidies, are excluded from this comparison. Aside from the in-kind value of these benefits, their provision reduces out-of-pocket expenses by New Hope participants, effectively increasing their disposable income. If we were able to take these benefits into account, we would see an increase in the number of New Hope participants whose earnings-related income would exceed the poverty level. However, it is difficult to put a cash value on those benefits and they are generally excluded from such comparisons. Noncash benefits are included, however, in the analysis of benefits and costs presented in Chapter 8.

Table 5.4 repeats the comparison of earnings-related income with the poverty standard for the three potential barrier subgroups within the group of those not employed full time at random assignment. Consistent with earlier findings, those with one potential barrier to employment experienced the strongest effect, an increase in the percentage of sample members whose earnings-related income exceeded the poverty level from 13.4 to 27.3, in the second year of follow-up. Again, effects varied only modestly by subgroup, with all three groups benefiting to some extent.

D. Impacts on Income for Other Subgroups

Impacts on income also were calculated for several subgroups first introduced in Chapter 4: AFDC recipients, households without children, families with recorded second wage earners, women, men, people living on the Northside and Southside, and members of different ethnic groups (African-American, Hispanic, and white). Significant variation in income effects for these subgroups was limited (not shown).

V. Material Hardship and Housing Status

The income measures capture only one aspect of New Hope's contribution to participants' material well-being. This section presents impacts on two other sets of indicators: material hardship and housing status.

A. Impacts on Material Hardship

A major reason for policies to improve family income is to assure access to basic necessities including food, housing, and medical care. Although material well-being is associated with cash income, they are not identical because people use their incomes differently and because the costs of these necessities vary for different people.[8] New Hope provided subsidized health insurance and child care, important in-kind benefits that were not included in the estimates of household income, but which should improve material well-being.

The measure of economic hardship used in the two-year survey (known as the Mayer-Jencks Scale) lists eight indicators of economic hardship:

- unmet medical needs
- unmet dental needs

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[8] Mayer and Jencks, 1989.

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Table 5.4

The New Hope Project

Two-Year Impacts on Relationship of Earnings-Related Income to Federal Poverty Standard for Those Not Employed Full Time at Random Assignment, by Number of Potential Barriers to Employment[a,b]

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[c]	P-Value for Difference Between Panels[d]
No Potential Barriers							
Earnings-related income above the poverty standard (%)							
Year 1	20.5	19.0	1.5	0.776	7.8	0.03	0.588
Year 2	36.1	29.7	6.4	0.312	21.4	0.14	0.343
Year 2 earnings-related income exceeded standard by: (%)							
25%	19.4	23.7	-4.3	0.434	-18.3	-0.11	0.079 †
50%	10.8	17.3	-6.5	0.173	-37.6	-0.20	0.095 †
100%	3.9	8.2	-4.3	0.206	-52.1	-0.22	0.249
Sample size	*117*	*96*					
One Potential Barrier							
Earnings-related income above the poverty standard (%)							
Year 1	15.6	7.8	7.8 **	0.029	100.2	0.18	
Year 2	27.3	13.4	13.9 ***	0.003	103.6	0.30	
Year 2 earnings-related income exceeded standard by: (%)							
25%	16.5	6.3	10.2 ***	0.006	161.1	0.26	
50%	9.4	3.8	5.6 *	0.057	148.0	0.17	
100%	2.3	1.8	0.4	0.799	23.5	0.02	
Sample size	*149*	*143*					
Two Potential Barriers or More							
Earnings-related income above the poverty standard (%)							
Year 1	13.6	6.7	6.9 *	0.095	103.8	0.16	
Year 2	18.7	14.5	4.2	0.418	28.8	0.09	
Year 2 earnings-related income exceeded standard by: (%)							
25%	10.8	7.6	3.1	0.433	41.3	0.08	
50%	5.7	3.1	2.7	0.342	87.5	0.08	
100%	3.9	1.4	2.5	0.272	177.2	0.13	
Sample size	*99*	*130*					

(continued)

Table 5.4 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Earnings-related income combines earnings, EIC and the New Hope supplement. This measure could be calculated only for two-year survey respondents.

[b] Potential barriers to employment are not having worked in the past six years; having been arrested since age 16; having either two or more children under age 6 or four children under age 12; having been fired from one's period of longest employment; and not having a GED or high school diploma.

[c] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[d] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, this variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

- lack of health insurance
- occasionally being unable to buy food
- spending less on food than the USDA recommended food budget
- living in an overcrowded dwelling
- having had utilities shut off for nonpayment
- experiencing one or more of a range of serious housing defects (for example, rats, exposed wires, leaks)

The New Hope survey included only six of these eight indicators, omitting both food-related items but adding one item asking whether there had been sufficient food in the last month. Impacts on each indicator, and on the combined "modified" Mayer-Jencks Scale, are shown in Table 5.5 for the full sample and for the two subgroups defined by their full-time employment status at random assignment.

The upper panel of the table shows that any reductions in economic hardship stem from New Hope's provision of subsidized health insurance for low-income workers. New Hope sample members were significantly less likely to report unmet medical and dental needs and also were significantly less likely to be without health insurance. Other hardships also were less common, but not significantly so. Overall, the modified Mayer-Jencks Scale was 0.2 points (or 11 percent) lower for program participants than for controls.

The reduction in material hardship was concentrated among sample members who were not employed full time at random assignment. (However, the differences in impacts between the two groups were not quite statistically significant.) The Mayer-Jencks measure was not significantly lower for those employed full time at random assignment, even though this group did report fewer periods without health insurance. Conversely, those *not* employed full time at random assignment experienced a 0.3 point (or 13 percent) reduction on the modified hardship scale.

B. Impacts on Housing Status

Housing status is another important measure of material well-being covered by the New Hope survey. As Table 5.5 shows, the program did not affect home ownership, household formation, or money spent on housing, nor were there effects on reported housing deficiencies or satisfaction with housing (not shown). Thus, it seems that the program's effects on income, which were pronounced especially for those not employed full time at random assignment, were not large enough to bring about consistent improvements in housing. Participants' awareness that the New Hope benefits were temporary (in the context of this demonstration) may have prevented such effects from materializing.

The impacts on material hardship and housing were similar for the CFS sample as for the full sample.[9] These impacts are shown in Appendix Table L5.2.

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[9] In the CFS sample, there were no program impacts on children's access to health care — that is, likelihood of having insurance, having a regular provider, and having regular physical and dental checkups.

Table 5.5

The New Hope Project

Two-Year Impacts on Material Hardship and Housing Status, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Full Sample							
During follow-up, reported any (%):							
Unmet medical needs	16.2	20.1	-3.9 *	0.095	-19.5	-0.10	0.176
Unmet dental needs	24.2	29.4	-5.1 *	0.056	-17.4	-0.12	0.199
Periods without health insurance	48.2	59.1	-10.9 ***	0.000	-18.5	-0.22	0.662
Food insufficiency	11.1	11.9	-0.8	0.684	-6.6	-0.02	0.482
Overcrowding	13.4	15.6	-2.3	0.267	-14.4	-0.06	0.501
Utility shutoffs	39.5	40.5	-1.0	0.744	-2.4	-0.02	0.700
Other housing problems	44.9	45.8	-0.9	0.757	-2.1	-0.02	0.117
Number of times answered "yes" to any of the above	2.0	2.2	-0.2 ***	0.009	-11.0	-0.16	0.143
Owns home (%)	10.4	8.8	1.6	0.338	18.4	0.06	0.996
Dependent on others for housing (%)	16.9	18.5	-1.5	0.484	-8.4	-0.04	0.953
Housing expenses last month ($)	378	379	-0.5	0.965	-0.1	0.00	0.905
Sample size	*552*	*531*					
Employed Full Time at Random Assignment							
During follow-up, reported any (%):							
Unmet medical needs	15.1	14.2	0.9	0.810	6.5	0.02	
Unmet dental needs	19.9	19.7	0.2	0.963	1.0	0.00	
Periods without health insurance	46.8	55.2	-8.5	0.112	-15.3	-0.17	
Food insufficiency	8.9	7.7	1.2	0.698	15.0	0.04	
Overcrowding	12.4	16.7	-4.3	0.211	-25.8	-0.12	
Utility shutoffs	35.6	34.3	1.3	0.799	3.8	0.03	
Other housing problems	43.5	37.1	6.4	0.224	17.3	0.13	
Number of times answered "yes" to any of the above	1.8	1.9	0.0	0.844	-1.6	-0.02	
Owns home (%)	12.9	11.8	1.1	0.741	9.2	0.04	
Dependent on others for housing (%)	14.8	16.7	-1.9	0.610	-11.6	-0.05	
Housing expenses last month ($)	387	387	0.3	0.987	0.1	0.00	
Sample size	*187*	*162*					

(continued)

Table 5.5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Not Employed Full Time at Random Assignment				
During follow-up, reported any (%):							
Unmet medical needs	17.0	22.6	-5.6 *	0.056	-24.9	-0.15	
Unmet dental needs	26.7	33.6	-6.8 **	0.043	-20.3	-0.15	
Periods without health insurance	49.3	60.5	-11.3 ***	0.002	-18.6	-0.23	
Food insufficiency	12.2	13.8	-1.6	0.528	-11.5	-0.05	
Overcrowding	13.8	15.2	-1.4	0.562	-9.5	-0.04	
Utility shutoffs	41.9	43.0	-1.1	0.760	-2.6	-0.02	
Other housing problems	46.0	49.7	-3.7	0.322	-7.5	-0.07	
Number of times answered "yes" to any of the above	2.1	2.4	-0.3 ***	0.008	-13.0	-0.20	
Owns home (%)	8.9	7.8	1.1	0.569	14.2	0.04	
Dependent on others for housing (%)	17.8	19.4	-1.7	0.541	-8.6	-0.04	
Housing expenses last month ($)	373	375	-2.6	0.839	-0.7	-0.01	
Sample size	*365*	*369*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and two-year survey.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

In conclusion, New Hope appears to have achieved its effects on material well-being primarily by increasing discretionary resources, financial stability, and, most of all, access to health coverage. The program did not fundamentally alter material well-being in other ways.

VI. Impacts on Psychological Well-Being

Thus far, the effects of New Hope have been described in terms of its material benefits. However, in addition to those material benefits, it was expected that increased employment and family income would cause participants to be less stressed and worried about their financial situation. These benefits would be enhanced by the guarantees surrounding them: the New Hope offer guaranteed that an earnings supplement, health insurance, and child care assistance would be available to anyone working full time, and that a job opportunity would be available to anyone unable to find unsubsidized employment. New Hope was also expected to lead to more general improvements in participants' psychological well-being because it provides benefits and services that help people to gain and sustain full-time employment and to improve their material circumstances. In focus groups, participants said they felt improved self-esteem and confidence in their ability to succeed when they tried something new. The vignette on page 167 describes the contrary experience of a control group member who works full time and feels stress in trying to pay for medical care.

However, not all impacts for New Hope participants would necessarily be positive. Extending the New Hope offer might increase the stress experienced by participants because they now would be obliged to find a job, keep it, and work full time, in order to remain eligible for benefits. This, in turn, would require changes in family routines, a search for reliable transportation and child care, and a reduction in leisure time, meaning less time to respond to family needs and emergencies. These increases in stress would be worst for those not working full time at random assignment and those with serious potential barriers to employment.

Another factor that could impede program effects was the time-limited nature of the New Hope offer, as studied in this demonstration. After three years, the program would stop providing benefits, creating a need among participants to secure well-paying steady jobs before then or face serious losses in income and benefits at that time. For those dependent on CSJs for their employment, such a time limit would loom after one year (the maximum time that anyone was allowed to hold such a job). It is unclear whether these time pressures were being felt by New Hope participants as they were interviewed after two years in the program.

A. Impacts for the Full Sample and by Employment Status at Random Assignment

To assess New Hope's effects on psychological well-being and worries, the two-year follow-up survey included many questions about sample members' living circumstances, financial situation, goals and stresses, depression, self-esteem, feelings of mastery, and feelings of efficacy in achieving their goals. Some of these questions were asked only of the parents in the Child and Family Study.

Table 5.6 shows the outcomes for the full sample and employment subgroups. Although all of the questions asked allowed for a range of responses, the answers were categorized dichotomously for ease of presentation.

A Control Group Member Worries About Health Coverage

Katie, a Euro-American woman in her early 30s, is a high school graduate who lives with her three children in a working-class neighborhood near the airport. She reflects the relatively strong work histories of many parents who nonetheless struggle with health care and child care. A single parent, she left her husband shortly after the birth of her third child because of his addiction to drugs and alcohol. She has worked most of her adult life in housekeeping jobs. Prior to signing up for New Hope, she was on AFDC for two years in order to stay home and take care of her children.

Katie was in the welfare office at a mandatory meeting about job training when she signed up for the New Hope Project. What interested her most about the project were the health benefits. She was never worried about finding a job, as she had always worked. She was concerned, however, about getting adequate health insurance coverage for her daughter Sean.

Shortly after being designated as a control for the New Hope Project Katie found a full-time cleaning job in a motel and immediately began working, but did not have health care benefits. She was not satisfied with the quality of the child care programs she visited, particularly because Sean had a number of health problems. She eventually solved her child care problems by having her brother take care of her children. The brother became a licensed child-care provider and Katie received a child care supplement from the state to pay him. After working in the same cleaning job for over a year and a half Katie decided to switch jobs, in part because of the motel's rigid absentee policy: even when she was sick, or one of her children was sick, she was expected to come to work. She then found a new housekeeping job in a nursing home. Katie has been working steadily for almost two years since then. She recently received a promotion to lead housekeeper, raising her salary from $6.50 hour to $7.25 an hour.

While Katie is relatively happy at her job, she still has not solved the health benefits problem that she had hoped New Hope would assist her with (and which it did for comparable families who ended up in New Hope). Insurance offered by her employer costs Katie $130 every two weeks, which is too expensive. In addition there are copayments for doctors' visits and prescriptions. Right now the children are covered by W-2 for health care. She worries about what will happen when W-2 runs out. (Katie should benefit from the new Badger Care program which begins July 1, 1999.)

Table 5.6

The New Hope Project

Two-Year Impacts on Reported Stress and Worries, by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Full Sample							
Stressed much or all of the time (%)	43.5	49.9	-6.3 **	0.038	-12.7	-0.13	0.791
Worried "quite a bit" or "a great deal" about (%)							
Bills	52.1	54.1	-2.1	0.491	-3.8	-0.04	0.835
Job security	37.1	41.4	-4.3	0.145	-10.4	-0.09	0.879
Medical care	40.7	47.9	-7.2 **	0.018	-15.0	-0.14	0.254
Paying for food	29.0	31.4	-2.3	0.406	-7.4	-0.05	0.599
Affordable housing	32.8	38.5	-5.7 *	0.051	-14.7	-0.12	0.737
General financial health	55.5	62.2	-6.7 **	0.025	-10.7	-0.14	0.571
Satisfied or very satisfied with standard or living	65.2	64.1	1.1	0.714	1.7	0.02	0.788
Sample size	*553*	*533*					
Employed Full Time at Random Assignment							
Stressed much or all of the time (%)	42.5	49.2	-6.8	0.219	-13.7	-0.14	
Worried "quite a bit" or "a great deal" about (%)							
Bills	50.9	51.1	-0.2	0.977	-0.3	0.00	
Job security	30.6	33.6	-2.9	0.551	-8.8	-0.06	
Medical care	39.2	41.0	-1.8	0.743	-4.3	-0.04	
Paying for food	27.9	27.6	0.3	0.951	1.1	0.01	
Affordable housing	30.1	34.3	-4.2	0.417	-12.2	-0.09	
General financial health	51.4	55.2	-3.7	0.489	-6.8	-0.08	
Satisfied or very satisfied with standard or living	70.5	71.1	-0.6	0.895	-0.9	-0.01	
Sample size	*187*	*162*					
Not Employed Full Time at Random Assignment							
Stressed much or all of the time (%)	44.6	49.6	-5.0	0.174	-10.1	-0.10	
Worried "quite a bit" or "a great deal" about (%)							
Bills	53.3	54.8	-1.5	0.678	-2.8	-0.03	
Job security	40.7	44.6	-3.9	0.292	-8.7	-0.08	
Medical care	41.7	50.8	-9.2 **	0.013	-18.1	-0.19	
Paying for food	29.9	32.8	-2.8	0.409	-8.7	-0.06	
Affordable housing	34.2	40.5	-6.3 *	0.080	-15.5	-0.13	
General financial health	57.7	65.1	-7.4 **	0.041	-11.4	-0.15	
Satisfied or very satisfied with standard or living	62.2	61.2	1.0	0.785	1.6	0.02	
Sample size	*365*	*369*					

(continued)

Table 5.6 (continued)

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF) and two-year survey.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

What Are New Hope Sample Members Stressed About?

A substantial number (over 85 percent) of sample members in both the full sample and the Child and Family Study (CFS) sample reported being stressed at least some of the time. Financial and job-related issues were most frequently mentioned as sources of stress. This demonstrates that despite a strong economy and high rates of employment, sample members remained concerned about their ability to make ends meet, to find and maintain steady jobs that enable them to meet their financial obligations, and to deal with job-related issues.

	Full Sample	CFS Sample	Non-CFS Sample
Number of stressors named (%)			
	(N = 1,052)	(N = 608)	(N = 444)
None	12.6	10.0	16.2
1	53.9	48.5	61.3
2 or more	33.5	41.4	22.5
Specific source of stress (%)			
	(N = 920)	(N = 547)	(N = 373)
Financial	37.0	41.0	31.1
Job issues	38.2	37.5	39.1
Family issues	20.7	25.8	13.1
Multiple role strain	16.1	20.7	9.4

NOTE: Tests of statistical significance were not conducted.

The impacts on these measures of psychological well-being were generally positive. Interestingly, there was no statistically significant variation in these effects across the two employment subgroups. The program reduced stress, regardless of whether or not participants were working full time at random assignment. The program also reduced worries about job security (marginally significant), medical care, affordable housing, and general financial health. Sample members expressed relatively high levels of satisfaction with their standard of living, but the program did not increase this less specific measure of well-being. In the vignette on page 171, a program group member describes New Hope's influence on her feelings about herself and the role played by the project rep.

New Hope Parents Gained in Their Sense of Agency and Hope from the Program and Their Reps

Alicia, who moved to Milwaukee from El Salvador 12 years ago, lives with her 12-year-old daughter on the Southside. She says, "I was accepted into New Hope and everything changed for me." At the time of random assignment, she was working two part-time jobs: housekeeping and home care for an elderly woman. New Hope provided her with health insurance and encouraged her to take English classes. "I used to feel 'acomplejada' [inferior]" she says. "They built up my morale and self-esteem." New Hope also invited her to workshops about the program and about finding a job in her profession (she had been trained in child care in El Salvador). The workshops were a good opportunity for Alicia to practice her English.

With the help of a friend, she found a job working in the Milwaukee public school system as a teacher's assistant. Her New Hope Project rep told her about courses she could take at MATC toward a Child Development Associate credential; once she was enrolled, he called her frequently to ask about her classes and how her life was going. After earning a CDA credential she received a raise of $1.25 an hour, so she now earns close to $10.00 an hour. She is proud of her accomplishments. "I left my country looking for a better life, now my goal for myself is to get ahead and move up." Alicia believes that New Hope gave her three years to improve herself. She considers New Hope a kind of "test," which she thinks she passed because now she has a better life than she did three years ago. New Hope reps recognized Alicia's capacities and helped her build on them; the program came at a point in her life when she was ready and able to make these changes.

B. Impacts for the Child and Family Study Sample

Table 5.7 show impacts on these measures of stress and worries as well as on other indicators of psychological well-being for the Child and Family Study (CFS) sample. As part of the expanded survey for the CFS, additional sets of questions were asked to assess depression, self-esteem, feelings of agency and mastery, social support, and time pressure. The Center for Epidemiological Studies-Depression (CES-D) Scale is a screening instrument used in many similar, large-scale projects with low-income adults; a score of 16 or higher is considered to indicate potentially serious depression. The Rosenberg Self-Esteem Scale is a short and reliable measure of general self-esteem. The Hope Scale is intended to assess agency ("belief in one's capacity to initiate and sustain actions") and pathways ("belief in one's capacity to generate routes") to achieve goals (for example, "I am meeting the goals I set for myself"). The Pearlin Mastery Scale, measuring mastery or internal locus of control, has been used in numerous studies of low-income populations. The items are stated negatively (for example, "There is really no way I can

Table 5.7

The New Hope Project

Two-Year Impacts on Reported Stress and Worries and Other Measures of Psychological Well-Being for Sample Members in the Child and Family Study (CFS), by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Child and Family Study Sample							
Stressed much or all of the time (%)	47.0	54.2	-7.2 *	0.080	-13.3	-0.14	0.583
Worried "quite a bit" or "a great deal" about (%)							
Bills	57.6	57.0	0.6	0.873	1.1	0.01	0.612
Job security	38.3	38.0	0.3	0.942	0.8	0.01	0.990
Medical care	41.1	46.6	-5.5	0.177	-11.9	-0.11	0.386
Paying for food	31.0	30.0	1.1	0.781	3.5	0.02	0.664
Affordable housing	33.3	35.9	-2.6	0.508	-7.3	-0.05	0.241
General financial health	56.4	62.8	-6.3	0.118	-10.1	-0.13	0.214
Satisfied or very satisfied with standard or living (%)	66.8	68.7	-1.9	0.631	-2.7	-0.04	0.834
CES-Depression Scale	16.9	16.9	0.0	0.968	-0.2	0.00	0.368
Pearlin Mastery Scale	3.1	3.1	0.0	0.838	-0.3	-0.02	0.757
Rosenberg Self-Esteem Scale	17.6	17.4	0.2	0.530	1.0	0.05	0.858
State Hope Scale	2.9	2.8	0.1 **	0.035	3.4	0.18	0.175
Parent Time Pressure Scale	3.8	3.7	0.2 **	0.021	4.6	0.19	0.744
How happy with progress toward goals	2.2	2.3	-0.1	0.401	-3.6	-0.07	0.196
Social Support Scale							
Practical advice/assistance	29.5	19.2	10.3 ***	0.004	53.7	0.26	0.076 †
Emotional support/counseling	32.6	17.5	15.1 ***	0.000	86.5	0.36	0.215
Sample size	*289*	*301*					
CFS, Employed Full Time at Random Assignment							
Stressed much or all of the time (%)	44.9	54.4	-9.6	0.206	-17.6	-0.19	
Worried "quite a bit" or "a great deal" about (%)							
Bills	59.3	54.0	5.2	0.475	9.7	0.11	
Job security	30.8	29.7	1.1	0.876	3.6	0.02	
Medical care	41.4	41.0	0.4	0.962	0.9	0.01	
Paying for food	28.9	25.0	3.8	0.571	15.3	0.08	
Affordable housing	31.8	26.8	5.0	0.475	18.4	0.10	
General financial health	55.2	52.6	2.6	0.732	4.9	0.05	
Satisfied or very satisfied with standard or living (%)	70.6	74.4	-3.8	0.561	-5.2	-0.08	

(continued)

Table 5.7 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CES-Depression Scale	15.1	16.3	-1.2	0.504	-7.3	-0.10	
Pearlin Mastery Scale	3.1	3.2	0.0	0.578	-1.3	-0.08	
Rosenberg Self-Esteem Scale	17.7	17.5	0.2	0.670	1.3	0.07	
State Hope Scale	3.0	2.9	0.2 **	0.050	5.9	0.31	
Parent Time Pressure Scale	3.9	3.7	0.1	0.273	3.8	0.16	
How happy with progress toward goals	2.1	2.3	-0.2	0.161	-10.2	-0.21	
Social Support Scale							
Practical advice/assistance	31.0	11.1	19.8 ***	0.001	178.6	0.50	
Emotional support/counseling	34.1	12.4	21.7 ***	0.001	175.2	0.51	
Sample size	*95*	*87*					
CFS, Not Employed Full Time at Random Assignment							
Stressed much or all of the time (%)	48.8	53.4	-4.6	0.355	-8.7	-0.09	
Worried "quite a bit" or "a great deal" about (%)							
Bills	58.0	57.2	0.8	0.872	1.4	0.02	
Job security	42.2	41.2	1.0	0.846	2.3	0.02	
Medical care	41.3	48.8	-7.4	0.137	-15.2	-0.15	
Paying for food	32.2	32.0	0.3	0.957	0.8	0.01	
Affordable housing	34.5	39.5	-5.0	0.308	-12.6	-0.10	
General financial health	57.9	66.5	-8.5 *	0.078	-12.9	-0.17	
Satisfied or very satisfied with standard or living (%)	64.6	66.7	-2.1	0.659	-3.2	-0.04	
CES-Depression Scale	17.8	17.1	0.7	0.535	4.3	0.06	
Pearlin Mastery Scale	3.1	3.1	0.0	0.805	-0.4	-0.03	
Rosenberg Self-Esteem Scale	17.5	17.4	0.1	0.719	0.7	0.04	
State Hope Scale	2.9	2.9	0.0	0.573	1.1	0.06	
Parent Time Pressure Scale	3.8	3.6	0.2 **	0.034	5.3	0.22	
How happy with progress toward goals	2.3	2.3	0.0	0.797	1.4	0.03	
Social Support Scale							
Practical advice/assistance	29.1	22.5	6.5	0.137	29.0	0.17	
Emotional support/counseling	32.1	19.6	12.5 ***	0.004	63.7	0.30	
Sample size	*194*	*214*					

(continued)

Table 5.7 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: The CFS sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child in the 1 to 10 age range at the time of random assignment.

Actual sample sizes for individual measures may vary as a result of missing data.

A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

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solve some of the problems I have").[10] Time pressure was measured with two questions about whether the test taker had too little or too much time.

The overall picture for the CFS sample is similar to that for the whole sample, with significant reductions in overall stress and financial worries. There were also significant impacts on participants' feelings of agency on the Hope Scale — their sense that they could take action and achieve their goals. One reason for these changes could be the New Hope participants' greater experience of social support. On a possibly negative note, parents reported significantly more time pressure, which may be related to their increased work effort.

Stated Goals of New Hope Sample Members

Sample members were asked whether they were currently pursuing any goals and, if so, their satisfaction with the progress toward these goals. A majority of the sample (75 percent) indicated that they were currently pursuing a goal. Of these, 67 percent reported being satisfied with their goal progress. Almost half of the sample members were currently pursuing only a single goal, with education and employment-related goals being the most frequently mentioned. Although education and training were not part of the New Hope offer, sample members were aware of the importance of job-related training as a means toward economic self-sufficiency. Employment-related goals were also named by many people, suggesting that sample members placed a high priority on improving their job situation.

	Full Sample	CFS Sample	Non-CFS Sample
Number of goals named (%)			
	(N = 1,082)	(N = 635)	(N = 447)
None	24.3	23.0	26.2
1	45.8	43.0	49.9
2 or more	29.9	34.0	23.9
Percent reporting specific goal			
	(N = 823)	(N = 491)	(N = 332)
Education	47.1	49.3	44.0
Employment	47.9	46.8	49.4
Personal	12.0	10.6	14.2
Financial	25.3	30.5	17.5
Family	14.6	17.1	10.8

NOTE: Tests of statistical significance were not conducted.

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[10] Center for Epidemiological Studies-Depression (CES-D) Scale: Devins and Orme, 1985; Self-Esteem Scale: Rosenberg, 1979; Mastery Scale: Pearlin et al., 1981; HOPE Scale: Snyder et al., 1996.

By contrast, there were no impacts on the more global indices of depression, feelings of mastery, and self-esteem. The changes in life brought about by New Hope participation appear to have affected those aspects of psychological well-being that are based primarily in one's current situation — worry about financial health, stress, a feeling of optimism about achieving goals. Depression, self-esteem, and beliefs about one's control over events are, however, deeply-rooted, stable, personal dispositions that were not affected by New Hope's program.

VII. Impacts on Time Use and Regularity of Routine

In considering the possible effects of New Hope on families and children, parents' time use and the regularity of their daily routine were considered important potential mediators. To assess these outcomes a module of the two-year survey collected time use data for parents in the CFS sample.

Parents' time use was measured with a calendar for the previous week showing time spent at a job and, for the previous day, time spent sleeping and doing errands and household chores. Its purposes were to determine total time allocations and scheduling of work. Many low-wage jobs require irregular hours and evening and weekend work. Regularity of routine was measured with two questions about the regularity of work hours and of family meals.

A. New Hope Impacts on Parent Time Use

Details about employment in the past week and time use during the last weekday are shown in Table 5.8. New Hope participants reported significantly more work hours in the past week than did control group members. The average New Hope participant worked 32.3 hours, of which 7.4 were spent during nights or weekends. Comparable figures for control group members were 28.6 and 6.6, respectively.

The daily diaries indicate that New Hope participants spent less time shopping or in undefined activities than did controls. They apparently compensated for their increased work time by reducing hours in errands and other activities, but not in reduced sleep or household chores.

B. Impacts on Regularity of Routine

There were no impacts on the regularity of employment hours or of family meals, despite the fact that New Hope increased engagement in full-time work, which is more likely than part-time work to have regular hours. Hence, there is no support for the popular notion that increasing employment will lead low-income parents to organize their family routines in a more regular way. One reason may be that both program and control group members had relatively high rates of employment, limiting the possible size of New Hope's effects in this area. It may also be the case, however, that many families have regular routines without parental employment or that increases in regularity in some families were offset by others for whom parents' employment hours made it more rather than less difficult to maintain a regular schedule for meals and family activities.

Table 5.8

The New Hope Project

Two-Year Impacts on Time Use and Regularity of Routine for Sample Members in the Child and Family Study (CFS), by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Differences Between Panels[b]
			Child and Family Study Sample				
Hours worked on a job during the past week:							
Day time	24.9	22.2	2.8 *	0.097	12.4	0.13	0.445
Night	4.9	4.2	0.8	0.314	18.5	0.08	0.788
Weekend	2.5	2.4	0.1	0.843	3.9	0.02	0.996
Total	32.3	28.6	3.7 **	0.048	12.8	0.16	0.588
Time use yesterday/last Friday (hours):							
Work	6.0	5.5	0.6	0.156	10.4	0.12	0.230
Sleep	7.4	7.2	0.2	0.387	2.4	0.07	0.465
Housework/chores	2.7	2.7	0.0	0.991	0.1	0.00	0.105
Shopping	1.4	1.7	-0.3 *	0.085	-18.3	-0.15	0.470
Undefined[c]	6.5	6.9	-0.4	n/a	-0.1	n/a	n/a
Regularity of routine (3-9)	4.8	4.8	0.0	0.987	0.1	0.00	0.323
Regularity of employment (1-3)	1.4	1.5	0.0	0.882	-0.7	-0.01	0.074 †
Sample size	*282*	*294*					
			CFS, Employed Full Time at Random Assignment				
Hours worked on a job during the past week:							
Day time	28.8	27.8	1.0	0.724	3.6	0.05	
Night	6.7	5.6	1.0	0.518	17.8	0.11	
Weekend	3.6	3.5	0.1	0.947	1.9	0.01	
Total	39.1	36.8	2.2	0.465	6.1	0.10	
Time use yesterday/last Friday (hours):							
Work	7.2	7.3	-0.2	0.810	-2.3	-0.03	
Sleep	7.3	6.9	0.4	0.235	5.6	0.16	
Housework/chores	2.8	2.1	0.7	0.139	31.1	0.21	
Shopping	1.0	1.5	-0.5 *	0.077	-32.4	-0.22	
Undefined[c]	5.8	6.2	-0.4	n/a	-0.1	n/a	
Regularity of routine (3-9)	4.9	4.8	0.2	0.456	3.9	0.11	
Regularity of employment (1-3)	1.5	1.4	0.2	0.189	11.3	0.21	
Sample size	*94*	*84*					

(continued)

Table 5.8 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Differences Between Panels[b]
CFS, Not Employed Full Time at Random Assignment							
Hours worked on a job the past week:							
Day time	23.3	19.6	3.7 *	0.073	19.0	0.18	
Night	4.1	3.6	0.5	0.541	14.8	0.06	
Weekend	2.0	1.9	0.1	0.907	3.1	0.01	
Total	29.3	25.0	4.3 *	0.068	17.3	0.19	
Time use yesterday/ last Friday (hours):							
Work	5.5	4.6	0.8 *	0.087	18.3	0.17	
Sleep	7.4	7.3	0.1	0.727	1.2	0.04	
Housework/chores	2.7	2.9	-0.2	0.480	-7.7	-0.07	
Shopping	1.6	1.8	-0.2	0.374	-11.7	-0.10	
Undefined[c]	6.7	7.2	-0.5	n/a	-0.1	n/a	
Regularity of routine (3-9)	4.8	4.9	-0.1	0.518	-2.6	-0.08	
Regularity of employment (1-3)	1.4	1.5	-0.1	0.228	-7.5	-0.15	
Sample size	*188*	*209*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: The CFS sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child in the 1 to 10 age range at the time of random assignment.

A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

Rounding and regression adjustment may cause slight discrepancies in calculating sums and differences.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] For this residual category, no tests of statistical significance were conducted.

VIII. Summary

The impacts of New Hope on total income from all sources differed for people who were and were not employed full time at random assignment. For people who were employed full time at random assignment, New Hope led to a reduction in total income, not considering the program's health insurance and child care benefits. Although New Hope participants received an earnings supplement, their reduction in AFDC and Food Stamps more than compensated for this program benefit. Moreover, their earnings were somewhat lower than those of control group members. Nonetheless, New Hope participants in this subgroup were no less likely than controls to have an earned income above the federal poverty standard.

For people not employed full time when they applied, New Hope had substantial positive impacts on income, and participants' earnings were more likely to exceed the federal poverty threshold than controls' earnings (though the great majority of both groups still had earnings below the poverty threshold). Compared with controls, participants received more EIC benefits, and they did not lose public assistance. In fact, the program group received somewhat more in Food Stamps than the controls.

The positive impacts on income occurred for people with one or more identified potential barriers to employment, but not for those who had no potential barriers. For people with only one potential barrier, the New Hope program was most likely to lead to earnings that exceeded the federal poverty threshold.

We expected that New Hope participation would lead to greater material well-being, not only because of the modest gains in earnings and income, but also because of the health and child care subsidies that could contribute to overall family resources. The program had a positive impact on participants' reports of material hardship, primarily because program members reported fewer unmet medical and dental needs and less time without health insurance coverage. These same patterns occurred for parents in the CFS sample, but there were no differences in the likelihood that their children would be insured or receive routine health care.

New Hope participants reported less stress and worry, particularly about financial issues, and they reported receiving more social support than controls. In the CFS sample of parents, New Hope also led to increased feelings of ability to achieve goals as well as to feelings of time pressure. There were no program effects on more durable personal dispositions such as depression, self-esteem, or sense of mastery.

New Hope had an impact on CFS parents' allocation of time to work versus shopping and errands, but there was no effect on the regularity of family routines.

Although employment at random assignment was important for understanding the impacts of New Hope on employment, earnings, and income, the impacts on material well-being, psychological well-being, and time use were generally similar for people who were and were not employed at random assignment.

Chapter 6

New Hope's Effects on Family Dynamics and Child Activities for the Child and Family Study Sample

Evaluations of the impacts of antipoverty programs such as New Hope typically concentrate on adult employment and income. Studying a subgroup of the New Hope sample, members of the Child and Family Study (CFS), enabled us to extend the range of outcomes to include family processes and child development.

Prior research findings, as well as resource and socialization theories, suggest many reasons to expect that virtually all of the major components of the New Hope program — a work requirement, an earnings supplement, subsidized health insurance, subsidized child care, a temporary community service job (CSJ), and job search assistance — might affect families and their children's development. This chapter, after a general summary of findings, presents a summary of theoretical expectations. It then reviews briefly results from prior chapters about program impacts on households in the CFS sample. The heart of the chapter consists of analyses of program impacts on parenting, child care, and child activities.

I. Key Findings

- New Hope's child care subsidies made formal care programs more affordable and stimulated their use by program group families. More generally, children in New Hope families spent more time in formal, structured activities away from home than children in control group families. In contrast, there were few consistent program effects on patterns of children's time use and household responsibilities within the home.

- Among those employed full time at random assignment, some measures of parenting quality were significantly more positive for program group members than for controls. Among this subgroup, New Hope significantly increased parent-reported warmth and parent-reported monitoring of children's activities. Both parents and children in this subgroup reported children's greater involvement in organized activities outside of school. In addition, boys in the full CFS sample reported significantly more positive relations with their parents.

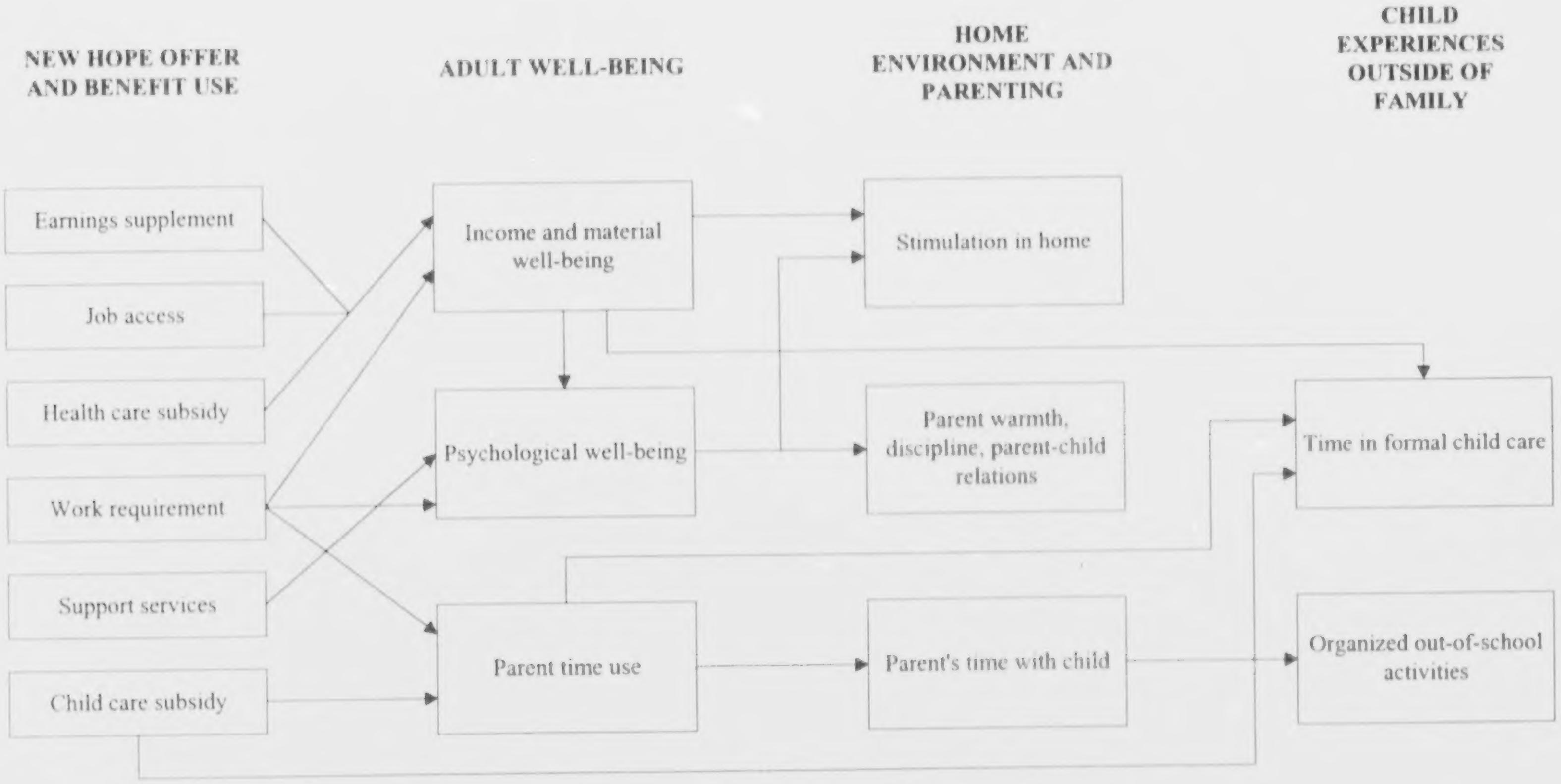
II. Summary of Theoretical Expectations

The conceptual model presented in Figure 6.1 (an expansion of Figure 1.4 in Chapter 1) shows the pathways through which the New Hope offer could be expected to produce changes in parent well-being and time use, the quality and nature of the home environment, parenting, and the child's experiences outside the family. In this section we discuss these hypothesized pathways and briefly note some of the research that informed the hypotheses.

Figure 6.1

The New Hope Project

Conceptual Model of the Paths Between the New Hope Offer and Family Dynamics


NEW HOPE OFFER AND BENEFIT USE
ADULT WELL-BEING
HOME ENVIRONMENT AND PARENTING
CHILD EXPERIENCES OUTSIDE OF FAMILY
Earnings supplement
Job access
Health care subsidy
Work requirement
Support services
Child care subsidy
Income and material well-being
Psychological well-being
Parent time use
Stimulation in home
Parent warmth, discipline, parent-child relations
Parent's time with child
Time in formal child care
Organized out-of-school activities

Parenting. Low-income parents have been found to provide home environments that are less cognitively stimulating than those provided by more economically advantaged parents, as indicated by, for example, the presence of fewer books and toys that teach concepts such as color, size, and shape.[1] They also tend to exhibit lower levels of emotional support toward their children, less supervision and monitoring, and more punitive and inconsistent discipline than higher-income parents.[2] These variations in parenting are due partly to differences in parents' psychological well-being and ability to purchase books, toys, and other cognitively stimulating materials.[3]

A number of studies have found income and emotional support to be positively related to adult psychological well-being, which, in turn, has been found to be strongly linked to more positive parenting.[4] Hence, the increases in income and support services provided by New Hope might be expected to improve parenting. In particular, if the New Hope experience improved parents' psychological functioning, it might enable them to express positive affection more frequently and to use more effective family management and discipline strategies, leading to more positive parent-child relations. In addition, increases in family income and parents' psychological well-being might enhance parents' ability and inclination to provide their children with a more cognitively stimulating home environment.

Paid employment might contribute to positive parenting, independent of income, by enhancing parents' psychological well-being. Research on the effects of women's paid employment on their psychological functioning, parenting, and family life focuses primarily on middle-income women.[5] It is questionable whether findings based on these women are generalizable to low-income women because, while managing work and family duties is a challenge for all employed mothers, these challenges may be more numerous and intense for low-income mothers. For example, compared with their middle-income counterparts, low-income employed mothers typically experience greater financial constraints, more restrictions on how they spend their time, more role strain because of limits on their ability to purchase domestic help and child care, and more difficulty finding affordable, reliable, and high-quality child care. These stressors are exacerbated for low-income employed mothers who are single heads of households. Furthermore, low-income women hold low-status jobs that may be more stressful than those held by middle-income women (for example, shift work, low job control, inflexibility in work hours).[6]

At the same time, employment has been associated with higher levels of self-esteem among economically disadvantaged single mothers.[7] In addition to providing increased financial security, employment often affords low-income single mothers with opportunities to decrease their social isolation and garner social supports. The availability of supportive relationships with friends and coworkers appears to greatly enhance their ability to cope successfully with the stressors triggered by employment. It is possible, then, that low-income mothers can benefit psychologically from paid employment even though their lives are complex and often marked by multiple strains and stressors.[8] Two salient factors of the New Hope experience increased the likelihood that the benefits of employment would outweigh the potential stressors created by employment, resulting in a net increase in parents' psychological well-being and, in turn, more positive parenting. First, employment among New Hope participants generated more economic benefits (earnings supplements, health care subsidies) than would typically be the case for individuals working in low-wage jobs. Second, New Hope staff provided participants with generous employment-related support and assistance.

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[1] Brooks-Gunn, Klebanov, and Liaw, 1995; Watson et al., 1996.
[2] McLoyd, 1990.
[3] Dubow and Ippolito, 1994; Garrett et al., 1994.
[4] McLoyd, 1990.
[5] Hoffman, 1989; McLoyd, 1993.
[6] Stegelin and Frankel, 1993.
[7] Sears and Galambos, 1993.

If parents are working away from home, their ability to monitor their children may be compromised; but if parents' employment results in children spending more time in the home (for example, because they have more household chores), parents' monitoring ability may actually increase.[9] The advantages of New Hope for positive parenting and parent-child relations were expected to exceed the possible disadvantages of reduced parent time at home.

Child care type and quality. If the New Hope intervention increased parents' employment, it would likely lead to a reduction in parent-child interaction and in-home child care. Low-income parents are less able than middle- and upper-income parents to pay market rates for child care. Consequently, they tend to rely on relatives to care for their children.[10] However, there is evidence that low-income parents prefer center care and use it when it is made available.[11] The availability of child care subsidies might be expected to decrease reliance on informal care by older siblings, family, or neighbors or on self-care and to increase use of paid, organized child care in centers and organized after-school programs.[12] However, subsidies were expected to complement, not replace, other forms of care.

Child activities. At least two processes might lead program group children to become more involved in organized activities away from home (sports, youth clubs, lessons) than control group children. First, greater family income presumably would enhance parents' ability to purchase these services. Second, program group children would likely spend more time in organized child care where such activities are common. In addition to being more involved in organized activities away from home, they might be expected to perform more household chores and assume more responsibility for care of younger siblings owing to their parent's employment.

Some studies have found that maternal employment is more advantageous to the psychological, cognitive, and academic functioning of girls than boys during the middle-childhood years.[13] The reasons for this sex difference are unclear, but scholars have speculated that disparity between parenting behavior and the needs of the child may be a contributor. The increase in independence training given to girls of working mothers is thought to increase girls' cognitive and academic performance because lack of independence training is one of the factors hypothesized to account for lower levels of achievement in females. Boys, on the other hand, may receive an optimal balance of independence training and parental control under "normal" circumstances, but maternal employment may disturb this balance. That is, the increase in independence training and reduction in supervision may leave boys with too little supervision or independence training that is excessive or too early. Scholars also have speculated that maternal employment may simply lead to a greater reduction in the supervision of boys than of girls.[14]

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[8] D'Ercole, 1988; Sears and Galambos, 1993.
[9] Gallimore, Goldenberg, and Weisner, 1993.
[10] Scarr, 1998.
[11] Phillips and Bridgman, 1995; Quint, Bos, and Polit, 1997.
[12] Lamb, 1997.
[13] Hoffman, 1979, 1989.

This pattern of more positive effects of maternal employment for girls than boys has been found primarily in middle-income samples,[15] but there is some suggestive evidence that a similar gender effect may exist among children of low-income mothers who had previously received AFDC.[16] Taken together, these research findings led to the question of whether program impacts on parenting, child care, and child activities — and, ultimately, child well-being — depended on the gender of the focal child. This chapter focuses on the first three domains. The question of whether New Hope's effects on developmental outcomes were different for boys than for girls is addressed in Chapter 7.

III. Review of the Results

Because households in the Child and Family Study (CFS) sample constitute roughly half of the entire New Hope sample, most of the general results presented in the previous chapters apply to the CFS sample as well. To review, previous chapters have documented the following:

The CFS sample. The CFS focused on participants who had preadolescent children at random assignment. Specifically, the CFS sample consisted of the 745 adults enrolled in New Hope who, at enrollment, named as a dependent at least one child between ages 1 and 10. Data on families and children in the CFS sample are drawn from personal interviews, self-administered teacher questionnaires, and administrative records.

The CFS sample differed from the non-CFS sample on several demographic and socioeconomic characteristics (as shown in Table 3.3). CFS adults were younger, had more and younger children, and were more likely to be female and less likely to be married. They also had fewer obstacles to employment and their households were more likely to qualify for and receive public assistance.

CFS interviews. A two-year follow-up interview obtained information from the primary caregiver about 900 focal children, 332 of whom were then between ages 3 and 5 and 568 of whom were between ages 6 and 12. Of the focal children themselves, 517 6- to 12-year-olds were interviewed. A questionnaire mailed to teachers provided additional information about the school progress and social behavior of 424 children.

CFS take-up of program benefits. As in the full New Hope sample, CFS sample participants who were working full time at the time of random assignment used more benefits, took up benefits more quickly, and used benefits for a longer period than participants not working full time at random assignment.[17] Take-up of at least some of the program benefits among the work-ready was widespread, often instantaneous, but usually not continuous. Most program (as well as control) group members appeared to use New Hope and other local-area benefits strategically, constructing packages of child care, health insurance, earnings supplements, and other benefits that best suited their own circumstances.

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[14] Hoffman, 1979.

[15] Hoffman, 1989.

[16] Moore and Driscoll, 1997.

[17] These results do not appear in Chapter 3 but were based on a comparison of CFS and full sample data on take-up of program benefits presented in Chapter 3.

CFS employment, earnings, and household income. As with the larger set of New Hope participants, program impacts on work and income varied across subgroups. For CFS sample members employed full time at random assignment, employment rates and work hours over the course of the 24 months following random assignment were high for both program and control groups. Program group members employed full time at random assignment relied less on welfare but did not enjoy significantly higher total cash incomes than controls. Among CFS sample members not employed full time at random assignment, program impacts were strongest for the subgroup facing only one potential employment barrier. Owing mainly to employment, one-potential-barrier program group members enjoyed a significantly higher total income in both years of the program. The income of CFS program group members not employed full time at random assignment and facing either no potential barriers or multiple potential barriers did not differ significantly from that of their control group counterparts.

CFS health insurance. During the 24-month evaluation period, health insurance was available to all Milwaukee County AFDC recipients and some other low-income families through the Medicaid program. Since the New Hope health insurance supplement provided much more affordable health care coverage for non-Medicaid families than was available to controls, New Hope was expected to increase the number of families in the CFS with health care coverage. In fact, it appears that the New Hope program helped parents provide better health insurance coverage for themselves, but did not enable them to improve upon the higher but still far from universal level of health insurance coverage they were able to provide for their children.

CFS material well-being. Survey questions provided measures of several aspects of material well-being, in particular housing quality, health care utilization, health insurance coverage, and utility services. Although beneficial program-control differences among parents not employed full time at random assignment were found for several health-related dimensions of material hardship for the entire sample, comparable program effects did not show up for parents in the CFS sample.

CFS parental psychological well-being. New Hope's offer might have influenced participants' mental health in several ways, some positive (fewer financial worries and less depression; greater feelings of hope, self-esteem, and mastery) and some negative (parents' feelings of time pressure and lack of social support). In fact, favorable program impacts were found for stress, social support, and participants' sense of hope about their current situation; unfavorable impacts were found for time pressure. The lack of significant impacts on other mental health indicators such as depression (where the average depression scores of both program and control group families were near clinical levels), self-esteem, and mastery suggests that while participants might feel better about their current day-to-day situation, this feeling did not extend to global assessments of their situation. The pattern of findings among subgroups indicates that New Hope most improved the mental health of the participants who were already more involved in the labor market.

IV. Impacts on Parenting

A. Measures

Several conventional dimensions of parenting were measured. Assessment of the amount of cognitive stimulation provided in the home environment was based on a subset of items selected from the Home (home observation for cognitive measurement of the environment) Cognitive Stimulation Scale in the JOBS Child and Family Study.[18] Items concern the presence of books, magazines, a library card, a dictionary, a computer/video game, and other cognitive resources, and the frequency of outings (for example, museum trips).

Parental warmth was measured using a three-item scale from the Canadian evaluation of the Self-Sufficiency Project (SSP)[19] and two observational items from the Home measure.[20] For the SSP Warmth Scale, parents indicate the frequency of their praise, focused attention, and special activities involving the child. The two Home observational items assess whether parents convey positive feelings about their children and spontaneously praise or talk about their good qualities and behavior. The provision of a safe play environment was measured using Home items.

To measure parental control parents were asked a series of questions about the consistency and effectiveness of their disciplinary strategies ("How often do you ignore things that should have been punished?"). The five items in the scale were selected from a larger set used in SSP on the basis of pilot testing and item analysis. To measure parental monitoring parents of children aged 6 to 12 were asked four questions about their familiarity with the focal child's friends and their knowledge of the focal child's whereabouts and companions when away from home ("How often do you know where [child] is away from home?"). The items were taken from the five-year follow-up to the JOBS Child and Family Study.

The index of parent-child relations measured the extent to which children aged 6 to 12 agreed with a series of positive and negative statements about their home life, specifically their relations and interactions with parents ("It is hard to be pleasant and happy around your parent"; "Your parent argues with you a lot"). Items were adapted from a rating instrument developed in the 1940s and recently revised.[21]

Parents' educational aspirations and expectations for their children, while not parenting behaviors, appear to have important implications for how parents interact with their children. Parents reported their educational aspirations and expectations for each focal child and also indicated the minimal level of educational attainment by the focal child that would be acceptable. Children aged 9 to 12 reported their perceptions of their parents' educational aspirations for them.[22]

We also included a measure of parenting stress to determine whether New Hope affected the demands of child-rearing. Parents were asked a series of five questions about the degree of difficulty they experience interacting with and caring for the focal child ("My child seems to be much harder to care for than most"). The scale was taken from the New Chance Evaluation.[23] Although not a measure of parenting, the findings for this variable have a close conceptual link to parenting behavior.

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[18] Moore et al., 1995.

[19] Statistics Canada, 1995.

[20] Caldwell and Bradley, 1984.

[21] See Swanson, 1950; McLoyd et al., 1994.

[22] Items taken from Medrich et al., 1982; Cook et al., 1996.

B. Results

New Hope had virtually no reliable impacts on parenting and parent-child relations in the full CFS sample (Table 6.1). However, New Hope's effects on parenting depended on parents' employment status at random assignment (Table 6.2) and somewhat on the child's gender (Table 6.3). By far the most intriguing result is that among parents employed full time at random assignment, New Hope significantly increased self-reported parental warmth and parent-reported monitoring of the focal child's activities. None of these effects were found among families in which parents were not employed full time at random assignment (Table 6.2). No program impacts were found on the measure of parenting stress.

New Hope's effects on parents' educational aspirations and expectations for focal children were neither straightforward nor completely consistent with our expectations. Program effects varied depending on parents' employment status at random assignment and children's gender, with children's responses generally corresponding to those of their parents. Surprisingly, program parents who were employed full time at random assignment had lower minimal educational standards for their children than control group parents. Likewise, program group children whose parents were employed full time at random assignment were less confident that their parents expected them to attend college than control group children. Children in this subgroup also were less likely than the controls to say they expected to finish high school, although the two groups did not differ in their expectations about either attending or finishing college (see Chapter 7). None of these effects were found among families in which parents were not employed full time at random assignment (Table 6.2 and Appendix Table L7.1).

Separate analyses by sex of child indicated that New Hope had no effect on parents' educational expectations and aspirations for sons. Surprisingly, it had negative rather than positive effects on their standards and expectations for daughters. Program group parents reported significantly lower minimum educational standards for their daughters than control group parents. They also reported lower educational expectations for them, though this difference only approached statistical significance. In accord with their parents' expectations for them, program group girls were significantly less confident than control group girls that their parents expected them to attend college (Table 6.3). However, program group girls were not different from controls in their own expectations about finishing high school or attending college (see Chapter 7).

Although our survey data do not isolate the cause of these gender differences, our ethnographic work leads us to believe one cause may be parents' greater concern about their sons. Their worries included gang influences, safety, and the perceptions of greater susceptibility of boys to school problems and drug influences (see the vignette on page 194).

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[23] Quint, Bos, and Polit, 1997.

Table 6.1

The New Hope Project

Two-Year Impacts on Parenting and Parent-Child Relationships for Children in the Child and Family Study (CFS)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Parenting						
Reported warmth	4.6	4.5	0.1	0.363	1.6	0.07
Observed warmth	2.0	2.0	0.1	0.380	2.5	0.07
Control	2.8	2.9	-0.1	0.313	-2.7	-0.08
Monitoring[b]	3.6	3.6	0.0	0.987	-0.1	0.00
Cognitive stimulation	24.1	23.8	0.3	0.368	1.2	0.07
Provision of safe play environment	2.7	2.6	0.0	0.527	1.2	0.06
Parenting stress	1.9	1.9	0.0	0.628	-1.2	-0.03
Sample size	*439*	*458*				
Parent-child relations						
Perceived positive quality	4.5	4.4	0.1	0.176	1.6	0.13
Perceived negative quality	2.6	2.6	0.0	0.979	-0.1	0.00
Sample size	*247*	*268*				
Educational aspirations and expectations						
Parent aspiration	5.1	5.1	0.0	0.956	-0.2	-0.01
Parent expectation	4.2	4.3	-0.1	0.384	-2.6	-0.08
Parent minimum standard	3.0	3.2	-0.2 *	0.086	-5.7	-0.14
Sample size	*438*	*458*				
Child perception of parent expectation						
Child should complete high school	4.5	4.5	0.0	0.821	-0.5	-0.02
Child should attend college	4.2	4.3	-0.1	0.574	-1.9	-0.08
Child should complete college	4.3	4.3	0.0	0.803	0.6	0.02
Sample size	*150*	*136*				

(continued)

Table 6.1 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent reported warmth: 1 (never) - 6 (many times each day); parenting stress: 1 (not at all true) - 5 (very true); observed warmth: 1 (never) - 3 (daily); monitoring: 1 (never) - 5 (always); cognitive stimulation for 6 to 12-year-olds: 12 (low stimulation) - 36 (high stimulation); control: 1 (never) - 6 (many times each day); cognitive stimulation for 3 to 5-year-olds: 14 (low stimualtion) - 40 (high stimulation); safe play environment: 1 (unsafe) - 3 (completely safe); perceived relations: 1 (no) - 3 (yes); parent aspirations and expectations: 1 (some high school) - 6 (graduate/professional school); child perception of parent expectations: 1 (not sure) - 5 (very sure).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] Sample sizes for this measure are as follows: for the program group N is 274 and for the control group N is 288.

Table 6.2

The New Hope Project

Two-Year Impacts on Parenting and Parent-Child Relationships for Children in the Child and Family Study (CFS), by Parent's Full-Time Employment Status at Random Assignment

Outcome	Program group	Control group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Parenting							
Reported warmth	4.7	4.4	0.3 *	0.069	6.2	0.27	0.070 †
Observed warmth	2.1	2.0	0.2	0.161	7.7	0.22	0.139
Control	2.7	2.8	-0.1	0.500	-3.2	-0.09	0.957
Monitoring[c]	3.7	3.6	0.1 **	0.048	3.6	0.31	0.018 ††
Cognitive stimulation	24.2	23.2	1.0	0.108	4.1	0.24	0.105
Provision of safe play environment	2.7	2.7	-0.1	0.523	-2.1	-0.10	0.260
Parenting stress	1.8	1.8	0.0	0.928	-0.7	-0.02	0.814
Sample size	*148*	*121*					
Parent-child relations							
Perceived positive quality	4.6	4.4	0.1	0.236	2.5	0.20	0.646
Perceived negative quality	2.5	2.6	-0.1	0.752	-2.2	-0.07	0.539
Sample size	*77*	*74*					
Educational aspirations and expectations							
Parent aspiration	5.1	5.1	0.0	0.973	0.0	0.00	0.926
Parent expectation	4.4	4.4	0.0	0.927	0.4	0.01	0.375
Parent minimum standard	3.0	3.4	-0.4 **	0.033	-12.0	-0.32	0.099 †
Sample size	*147*	*121*					
Child perception of parent expectation							
Child should complete high school	4.6	4.9	-0.3	0.109	-5.8	-0.29	0.160
Child should attend college	3.9	4.7	-0.8 ***	0.008	-16.7	-0.72	0.006 †††
Child should complete college	4.1	4.4	-0.4	0.187	-8.7	-0.34	0.164
Sample size	*45*	*36*					
Not Employed Full Time at Random Assignment							
Parenting							
Reported warmth	4.5	4.5	0.0	0.978	0.0	0.00	
Observed warmth	2.0	2.0	0.0	0.898	-0.4	-0.01	
Control	2.8	2.9	-0.1	0.420	-2.9	-0.08	
Monitoring[c]	3.6	3.7	-0.1	0.330	-1.4	-0.12	
Cognitive stimulation	24.1	24.1	0.0	0.992	0.0	0.00	
Provision of safe play environment	2.6	2.6	0.0	0.444	1.8	0.08	
Parenting stress	1.9	1.9	0.0	0.598	-2.0	-0.05	
Sample size	*292*	*336*					

(continued)

Table 6.2 (continued)

Outcome	Program group	Control group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Parent-child relations							
Perceived positive quality	4.5	4.4	0.1	0.379	1.3	0.11	
Perceived negative quality	2.6	2.6	0.0	0.623	1.9	0.06	
Sample size	*170*	*194*					
Educational aspirations and expectations							
Parent aspiration	5.1	5.1	0.0	0.901	-0.3	-0.01	
Parent expectation	4.1	4.2	-0.2	0.216	-4.0	-0.12	
Parent minimum standard	3.1	3.2	-0.1	0.455	-3.1	-0.08	
Sample size	*291*	*336*					
Child perception of parent expectation							
Child should complete high school	4.4	4.4	0.1	0.717	1.4	0.06	
Child should attend college	4.3	4.2	0.1	0.641	1.9	0.07	
Child should complete college	4.3	4.2	0.1	0.540	2.5	0.09	
Sample size	*105*	*100*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent reported warmth: 1 (never) - 6 (many times each day); parenting stress: 1 (not at all true) - 5 (very true); observed warmth: 1 (never) - 3 (daily); monitoring: 1 (never) - 5 (always); control: 1 (never) - 6 (many times each day); cognitive stimulation for 6 to 12-year-olds: 12 (low stimulation) - 36 (high stimulation); cognitive stimulation for 3 to 5-year-olds: 14 (low stimulation) - 40 (high stimulation); safe play environment: 1 (unsafe) - 3 (completely safe); perceived relations: 1 (no) - 3 (yes); parent aspirations and expectations: 1 (some high school) - 6 (graduate/professional school); child perception of parent expectations: 1 (not sure) - 5 (very sure).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Sample sizes for this measure are as follows: for those employed full time at random assignment, the program group N is 88 and the control group N is 76; and for those not employed full time, the program group N is 186 and the control group N is 212.

Table 6.3

The New Hope Project

Two-Year Impacts on Parenting and Parent-Child Relationships for Children in the Child and Family Study (CFS), by Child's Gender

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
		Boys					
Parenting							
Reported warmth	4.5	4.5	0.0	0.999	0.0	0.00	0.334
Observed warmth	2.0	1.9	0.0	0.780	1.1	0.03	0.541
Control	2.8	3.0	-0.2 *	0.077	-6.5	-0.19	0.126
Monitoring[c]	3.6	3.6	0.0	0.778	0.4	0.04	0.773
Cognitive stimulation	24.0	23.8	0.2	0.594	0.9	0.05	0.579
Provision of safe play environment	2.7	2.6	0.1	0.429	2.0	0.09	0.439
Parenting stress	1.9	2.0	-0.1	0.415	-3.3	-0.09	0.531
Sample size	*237*	*225*					
Parent-child relations							
Perceived positive quality	4.5	4.4	0.1 *	0.066	3.2	0.25	0.132
Perceived negative quality	2.6	2.6	-0.1	0.425	-3.3	-0.10	0.246
Sample size	*130*	*125*					
Educational aspirations and expectations							
Parent educational aspiration	5.1	5.0	0.0	0.665	1.0	0.05	0.442
Parent educational expectation	4.1	4.1	0.0	0.877	-0.6	-0.02	0.301
Parent minimum standard	3.0	3.1	-0.1	0.595	-2.3	-0.06	0.244
Sample size	*238*	*227*					
Child perception of parent expectation							
Child complete high school	4.6	4.5	0.1	0.411	3.1	0.14	0.258
Child attend college	4.4	4.1	0.3	0.154	7.2	0.27	0.009 †††
Child complete college	4.4	4.0	0.4	0.120	8.8	0.31	0.034 ††
Sample size	*76*	*61*					
		Girls					
Parenting							
Reported warmth	4.6	4.5	0.1	0.215	3.0	0.13	
Observed warmth	2.1	2.1	0.1	0.274	3.9	0.12	
Control	2.8	2.8	0.0	0.829	0.8	0.02	
Monitoring[c]	3.7	3.7	0.0	0.925	-0.1	-0.01	
Cognitive stimulation	24.3	23.8	0.5	0.258	2.1	0.13	
Provision of safe play environment	2.7	2.7	0.0	0.856	-0.5	-0.02	
Parenting stress	1.8	1.8	0.0	0.995	0.0	0.00	
Sample size	*202*	*231*					

(continued)

Table 6.3 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Parent-child relations							
Perceived positive quality	4.4	4.4	0.0	0.859	-0.3	-0.03	
Perceived negative quality	2.6	2.5	0.1	0.411	3.9	0.11	
Sample size	*117*	*143*					
Educational aspirations and expectations							
Parent aspiration	5.2	5.2	-0.1	0.565	-1.2	-0.06	
Parent expectation	4.3	4.5	-0.2	0.115	-5.1	-0.16	
Parent minimum standard	3.1	3.3	-0.3 **	0.036	-8.2	-0.21	
Sample size	*200*	*231*					
Child perception of parent expectation							
Child should complete high school	4.4	4.5	-0.1	0.427	-3.0	-0.14	
Child should attend college	4.1	4.5	-0.4 **	0.020	-9.6	-0.40	
Child should complete college	4.2	4.5	-0.3	0.154	-6.0	-0.24	
Sample size	*74*	*75*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * =10 percent.

The following scales describe how responses to specific questions were measured: parent reported warmth: 1 (never) - 6 (many times each day); parenting stress: 1 (not at all true) - 5 (very true); observed warmth: 1 (never) - 3 (daily); monitoring: 1 (never) - 5 (always); control: 1 (never) - 6 (many times each day); cognitive stimulation for 6 to 12-year-olds: 12 (low stimulation) - 36 (high stimulation); cognitive stimulation for 3 to 5-year-olds: 14 (low stimulation) - 40 (high stimulation); safe play environment: 1 (unsafe) - 3 (completely safe); perceived relations: 1 (no) - 3 (yes); parent aspirations and expectations: 1 (some high school) - 6 (graduate/professional school); child perception of parent expectations: 1 (not sure) - 5 (very sure).

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Sample sizes for this measure are as follows: for boys, the program group N is 145 and the control group N is 137; and for girls, the program group N is 129 and the control group N is 151.

Some Parents Have Different Concerns for Boys Than for Girls

Jackie, a 35-year-old African-American woman, talked about how her four children are doing in school, and her concerns and worries about her sons compared with her daughters. Like the great majority of parents in the study, she is concerned about her children's schooling, safety, and future lives. Jackie moved from Milwaukee to the South Side of Chicago two years ago. She and the children split their time between her in-laws' house and a house where Jackie's brother and grandmother live. Jackie does not live with her husband because she does not get along with his parents; his father is a minister and Jackie says he dislikes her. Jackie has held two or three short-term jobs (vending at Brewer's Stadium, for example) in Milwaukee, but hasn't worked since returning to Chicago. She did not complete high school. As a parent, she tries hard to maintain open communication with her kids. "My kids' friends always say, 'I wish my mom was like you.' It's because I listen to them. So many kids just need someone to listen to them and give them some love."

She fears listening and love may not be enough, however. All of her children live in a dangerous environment. She laments, "Not all places has gangs, but [my neighborhood] . . . is infested with gangs and drugs and violence. My son, I worry about him. He may be veering in the wrong direction. . . ." Nicko, her 16-year-old son, has recently stopped attending school and periodically threatens to move out of the house. Her teenage girls, on the other hand, are doing well. One has recently been accepted into a gifted program at school.

Although finances are always strained, Jackie says that she will spend extra money on Nicko, buying things like $100 gym shoes. She is worried that if she doesn't do this for him, he will turn to gangs. She thinks that "it's different for girls. But for boys, it's dangerous. [Gangs are] just full of older men who want these young ones to do their dirty work. And they'll buy them things and give them money." Given the realities of life in some of the New Hope neighborhoods, minority males, for many reasons, are more likely to be involved in violence and gang activities.

V. Impacts on Child Care

Low-income families in Milwaukee qualified for a number of child care supports offered by the county. New Hope participants who had at least one dependent child under age 13 and worked at least 30 hours per week were able to choose any state-licensed or county-certified child care provider, including providers of both preschool programs for young children and extended day programs for schoolchildren. For participants who worked but still qualified for AFDC, the New Hope subsidies were similar to those available to families through the AFDC program. In the case of working participants who did not qualify for AFDC, the New Hope subsidy was generous relative to the inadequately funded child care supports available to control group families.

Data from the core questionnaire enabled us to measure both whether parents chose to use various formal or informal care arrangements between enrollment and the two-year survey and the number of months such arrangements were used. For the purposes of the analysis, formal care includes structured programs provided outside the home, such as Head Start; a preschool, nursery school, or child care center other than Head Start; an "extended day" program, that is, before- or after-school care at the child's regular school; or another child care program other than in someone's home. Informal care, on the other hand, includes care by a person other than a member of the family and care by another member of the family.

As reported in Chapter 3, the New Hope treatment reduced significantly the out-of-pocket cost for child care. At the point of the two-year survey, program group members paid about $25 less than control group members for child care in the prior month. Most of that difference was accounted for by those working full time at random assignment, for whom the program-control difference amounted to almost $70, a reduction in child care cost of about 50 percent.

The vignette below illustrates the ripple effect of affordable child care on subsequent job stability and describes a proactive New Hope participant whose daily life fit with what New Hope had to offer.

Provision of Child Care Leads to More Stable Employment

Inez, a 23-year-old woman of Mexican descent, lives on the Southside with her fiancé and her two young sons. Prior to being enrolled in New Hope she could maintain a job for only a few months at a time: she would earn enough money for her subsidized day care to end, but not enough money to pay for day care on her own. Although she has had little formal training, she is bright and articulate and has had no problem finding employment. But until New Hope gave her day care that she could afford, she could never embark on a career. Being the sole support for her two children only exacerbated the problem.

Inez also didn't enjoy being home; a feisty, independent woman, she chafed at not being able to work full time. Thanks to the New Hope child care supplement she was able to take and keep a full-time job with a car dealership. Her sons are thriving in their day care and she sees herself staying with her job for a long time. Her boss has already promoted her once and has told her that he wants to train her to be a manager.

Inez told the president of the car dealership that he should provide on-site child care. She thinks society gives single mothers like her two contradictory messages: you must work, but you also must take care of your children. How is she supposed to do that, she says, unless either "they pay me more or give me cheaper child care"? She thinks that all women can do what she has done, if given the advantage of affordable care for their children.

Owing to the administrative and funding constraints on child care for non-AFDC families in the control group, we expected that program group members would be more likely to use formal care. This in fact happened: significantly more program group children (58.6 versus 48.6 percent) spent some time in a formal care situation (Table 6.4). The proportion of program group children who were in school-based extended day care was almost double that of controls (12.8 versus 7.0 percent). Center-based care was about 9 percentage points higher for program group children.[24] Similar patterns emerge when child care use is defined by the amount of time used.

Interestingly, greater program group reliance on formal care did not lead to a corresponding reduction in the use of home-based care arrangements. Program and control group children did not differ significantly in either the incidence or the duration of home-based care use.

The ethnographic data suggest that some program group members as well as controls balanced work against child care, educational goals, and other benefits, and chose to care for their children at home. Families had specific views on what child care they would want. The vignette on page 198 describes such a situation and the sometimes imperfect fit between what some participants wanted from New Hope and what the program in fact offered.

Although significant program-control group differences in formal care use emerged for both boys and girls, the type of formal program differed somewhat by gender (Table 6.5). For boys, the most significant program effect was in the use of school-based extended day care. Caregivers in program group families reported that 15.5 percent of boys were in extended day care at some point between enrollment and the two-year interview, compared with only 7.2 percent of boys in control group families, and they were in such care for longer periods of time. These program impacts on the duration of extended day care use were significantly greater for boys than girls.

The vignette on page 201 illustrates the use of extended after-school care. Lynnette is in the control group, yet her situation could apply to many program group families as well.

For girls, the most striking program impact was for center-based enrollment. Girls in the program group were significantly more likely than controls (39.4 versus 25.8 percent) to attend a child care center program at some point and spent almost three times as much time (6.3 versus 2.4 months) in such a program. The latter difference was significantly larger than the corresponding difference for boys.

A division based on children's gender proved much more powerful in distinguishing among types of child care use than did a division based on parents' employment status at random assignment. Although participants employed at random assignment took up the child care benefit sooner and more universally, employment status at random assignment did little to distinguish program impacts on type of care chosen (Appendix Table L6.1).

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[24] All of these data on the incidence and duration of formal child care use CFS children as the base. While we would have preferred to restrict analyses of a given type (particularly of preschool and nursery school use) to children eligible for that mode, we lacked the necessary institutional data to do so.

Table 6.4

The New Hope Project

Two-Year Impacts on Child Care Outcomes for Children in the Child and Family Study (CFS)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Since random assignment, children who were ever in: (%)						
Formal care	58.6	48.6	10.0 ***	0.006	20.6	0.20
Head Start	17.8	18.1	-0.3	0.891	-1.5	0.00
Center-based care	38.2	28.9	9.3 **	0.012	32.2	0.20
School-based extended day care	12.8	7.0	5.8 **	0.015	82.7	0.20
Any other program	4.2	7.9	-3.8 *	0.061	-47.5	-0.16
Home-based care[b]	63.6	67.9	-4.3	0.309	-6.3	-0.09
By nonhousehold or nonfamily member	19.7	23.2	-3.6	0.309	-15.4	-0.09
By household or family member, not primary caregiver	51.7	57.6	-5.9	0.180	-10.2	-0.12
Number of months spent in:						
Formal care						
Head Start	1.7	1.9	-0.3	0.378	-13.3	-0.05
Center-based care	6.0	3.2	2.8 ***	0.000	89.5	0.35
School-based extended day care	1.7	0.7	0.9 ***	0.008	124.6	0.21
Any other program	0.8	0.8	-0.1	0.888	-7.0	-0.01
Home-based care[b]						
By nonhousehold or nonfamily member	1.9	1.7	0.2	0.713	9.4	0.03
By household or family member, not primary caregiver	7.2	7.9	-0.8	0.357	-9.7	-0.08
Sample size	*440*	*472*				

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] Home-based care includes both regulated and unregulated care in residential settings.

Balancing Work, Education, and the Care of Young Children

Some New Hope participants carefully considered work, benefits, child care options, and their personal circumstances and decided not to work at that point in favor of caring for their children. Elizabeth also had specific notions about what appropriate child care would be and these notions influenced what she decided to do about it. Elizabeth's family consists of her boyfriend, Jaime, and three young children. She has never held a job for more than a few weeks. She stays home and Jaime works full time at a bottling company to support her and the family. She signed up for New Hope hoping to get child care so she could have the time to go back to school. However, Jaime's salary was above 200 percent of the poverty line for a family of four, so they rarely got a supplement check. When they did (because his hours dipped), it wasn't very much. After a few months, Elizabeth says that she "got tired" of handing in Jaime's wage stubs and receiving little or no supplement.

As Elizabeth was the New Hope participant, she had to go to work in order to get child care. If she worked at least 30 hours a week, New Hope would support 10 hours a week of education. But Elizabeth and Jaime figured that at that pace it would take Elizabeth "forever" to finish school. In addition, they were unable to find any licensed child care options they were comfortable with. They did find some child care centers they liked closer to their neighborhood, but they were not licensed and New Hope could not pay for them. From Elizabeth and Jaime's perspective, it didn't make sense for Elizabeth to work 30 hours a week at a CSJ (which was a minimum wage job) if she could go to school for only 10 hours. The couple recognizes that for some people, getting a job may be very important. But that isn't the case for Elizabeth given the fact that Jaime is working and they have young children. Nonetheless, Elizabeth says that they are still looking for some way to find the right kind of child care so that one of them can finish school.

In their circumstances, Elizabeth actually could have worked 15 hours a week and received child care benefits since Jaime was already working more than 30 hours. Elizabeth could only have received educational benefits if she had a CSJ and if Jaime was not working 30 hours a week. Elizabeth wanted something from New Hope that it was not designed to offer given their family and income situation, and she was not completely clear regarding the New Hope rules. More clarity on the rules and better program fit with participant goals might have met this family's needs.

Table 6.5

The New Hope Project

Two-Year Impacts on Child Care Outcomes for Children in the Child and Family Study (CFS), by Child's Gender

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Boys							
Since random assignment, children who were ever in: (%)							
Formal care	59.7	52.3	7.4 *	0.096	14.1	0.08	0.401
Head Start	21.0	19.7	1.3	0.727	6.4	0.03	0.288
Center-based care	36.8	31.9	4.9	0.285	15.3	0.10	0.140
School-based extended day care	15.5	7.2	8.3 ***	0.006	116.3	0.28	0.199
Any other program	4.2	8.5	-4.3 *	0.071	-51.0	-0.18	0.685
Home-based care[c]	62.9	66.3	-3.3	0.504	-5.0	-0.07	0.609
By nonhousehold or non-family member	18.1	25.0	-6.9 *	0.087	-27.6	-0.17	0.224
By household or family member, not primary caregiver	50.4	55.5	-5.1	0.325	-9.2	-0.10	0.699
Number of months spent in:							
Formal care							
Head Start	2.1	2.1	0.0	0.936	1.8	0.01	0.243
Center-based care	5.5	4.0	1.6 *	0.052	39.9	0.20	0.023 ††
School-based extended day care	2.3	0.8	1.5 ***	0.003	191.2	0.35	0.037 ††
Any other program	0.7	0.8	-0.1	0.804	-11.3	-0.02	0.789
Home-based care[c]							
By nonhousehold or nonfamily member	1.9	1.8	0.0	0.937	1.8	0.01	0.645
By household or family member, not primary caregiver	7.4	7.5	-0.1	0.916	-1.5	-0.01	0.208
Sample size	*241*	*231*					
Girls							
Since random assignment, children who were ever in: (%)							
Formal care	57.2	44.7	12.5 ***	0.007	27.9	0.25	
Head Start	13.3	17.2	-3.9	0.245	-22.7	-0.10	
Center-based care	39.4	25.8	13.6 ***	0.003	52.9	0.29	
School-based extended day care	10.0	6.8	3.2	0.246	47.5	0.11	
Any other program	4.3	7.3	-3.0	0.210	-41.3	-0.13	
Home-based care[c]	63.7	70.3	-6.7	0.193	-9.5	-0.14	
By nonhousehold or nonfamily member	21.3	21.4	0.0	0.991	-0.2	0.00	
By household or family member, not primary caregiver	52.7	60.4	-7.7	0.148	-12.7	-0.15	

(continued)

Table 6.5 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Number of months spent in:							
Formal care							
Head Start	1.1	1.8	-0.7	0.128	-38.6	-0.15	
Center-based care	6.3	2.4	3.9 ***	0.000	161.3	0.48	
School-based extended day care	1.0	0.7	0.3	0.361	43.4	0.07	
Any other program	0.9	0.8	0.1	0.897	7.8	0.02	
Home-based care[c]							
By nonhousehold or nonfamily member	1.9	1.6	0.3	0.529	21.7	0.07	
By household or family member, not primary caregiver	6.8	8.6	-1.8 *	0.091	-20.7	-0.18	
Sample size	*199*	*232*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Home-based care includes both regulated and unregulated care in residential settings.

Use of Extended Day Care Has Helped Parents Work Full Time or Flexible Time

Like so many parents everywhere and like so many in both the program and control groups, Lynnette worries about who is caring for her 6-year-old son, Mark, while she is at work. She specifically focused on supplemental or after-school care as having helped her out. Lynnette, an African-American woman, lives with Mark, her fiancé, and her fiancé's younger brother. She is a control group parent who did not specifically use day care support. Her situation illustrates how control group families (and many program group families as well) used a variety of ways to provide child care for their children that supplements family care after school. Her son's father is incarcerated for his involvement in a gang shooting. Lynnette took college courses for one year and then dropped out. Her employment history has been sporadic and varied — she has worked at Kinko's and Burger King and as a nanny-babysitter. Recently she was hired full time by the trucking firm for which she had been temping. She works in the accounting department.

As a single mother returning to work after the birth of her son, she had no choice but to leave him in the care of someone else. Before Mark entered school she relied on a network of close friends and family to care for him while she worked. She said that she never considered putting him in a child care program since, from her perspective, "it doesn't matter what you call it, it's still 'stranger care.'" Similarly, now that her son is in first grade she does not think that organizations that provide after-school programs are safe for children. "Boys and girls, that's all there is — no supervision."

However, last year when Mark was in kindergarten his school instituted an after-school program, run by teachers whom Lynnette knew, in the school library. Consequently, Lynnette was comfortable leaving her son in what she considered a familiar and well-supervised program. The program focused on school skills as well as play activities. Her only complaint about the program was that they did not offer the children a snack. Lynnette was disappointed that the program was terminated for lack of funding after a few months.

Lynnette said that while Mark was attending the after-school program he mastered the alphabet and then learned to read, which put him ahead of most students in his class. Even a year later Mark says that he is doing well in school. As he had put it: "I am better than everyone else." His mother explained that he has scored higher on the school district reading tests than any other student in his class.

Although New Hope affected both the type and rate of child care use, contrary to our expectations it had no effect on the perceived quality of child care used or parents' feelings toward that care. There were no significant differences between program and control group families in the adult-to-child ratio in child care, nor were program group parents more likely to put their children in licensed facilities (results not shown). Program and control group members reported similar levels of satisfaction with the quality of their children's care (results not shown). Thus, New Hope affected child care much in the ways anticipated. It reduced the cost for program group families, especially for those parents who were working full time at random assignment. By making formal programs more affordable in practice and thus more accessible, it increased the use of formal day care. Parents, however, had clear gender preferences about the type of formal care used; they expanded their use of extended day care for boys and center-based care for girls.

VI. Impacts on Child Activities

Both parents and focal children were asked about the latter's time use and out-of-school activities. Respondents were asked about the frequency with which the focal child performed household chores, cared for siblings, participated in various activities outside school (sports, lessons, clubs or youth groups), and watched television. Parents were asked about 6-to-12-year-old children's participation in organized activities during the last year; children aged 9-12 were asked about these activities during the past year and the past week.[25]

New Hope had no effect on children's involvement in domestic work or sibling care or on the frequency with which children engaged in activities with the primary caregiver or another adult. Nor did it affect the amount of time children reportedly spent watching television during the weekday or the number of educational programs they watched (Sesame Street, Mister Rogers' Neighborhood, Barney and Friends). Children in program group families reportedly spent more time watching television on weekends than children in control group families (Table 6.6).

New Hope affected children's involvement in out-of-school activities in ways consistent with our expectations. Parental reports indicated that program group children aged 9-12 participated in organized activities outside school significantly more often during the past year than did control group children. The largest difference between the two groups was the frequency with which children aged 6-12 took lessons to improve their skill level in various activities, excluding sports (Table 6.10).

New Hope's effects on children's activities differed somewhat for boys and girls, as revealed by analyses of parent and child reports by child's gender (Tables 6.7, 6.8, 6.11, and 6.12). Program group girls went shopping more often than control group girls (and all girls more than program group boys). Program group boys, as reported by their parents, participated in activities at recreational or community centers more frequently than control group boys (and all boys more than all girls). New Hope increased some boys' and girls' participation in clubs and youth groups.

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[25] Measures of children's activity and time use were adapted from Timmer et al., 1985.

Table 6.6

The New Hope Project

Two-Year Impacts on Child Activities and Time Use for Children in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Chores						
Parent report						
Weekly frequency of cleaning up and making bed (ages 3-5)	3.9	4.0	-0.1	0.451	-3.3	-0.10
Sample size	*162*	*166*				
Average weekly frequency of total chores (ages 6-12)	2.6	2.7	-0.1	0.158	-4.4	-0.13
Sample size	*274*	*285*				
Child report (ages 9-12)						
Sibling care	2.2	2.4	-0.2	0.327	-6.9	-0.14
Average weekly frequency of chores, excluding sibling care	2.4	2.4	0.1	0.415	2.4	0.09
Sample size	*151*	*137*				
Activities with adult in past week						
Child report (ages 9-12)						
Go shopping	1.9	1.8	0.1	0.268	5.8	0.13
Do homework	2.2	2.3	0.0	0.864	-1.5	-0.03
Go to church	1.7	1.7	0.0	0.883	0.7	-0.01
Play outdoor games	1.9	1.9	-0.1	0.680	-2.9	-0.06
Play indoor games	1.9	2.0	-0.1	0.426	-5.3	-0.11
Average frequency of total activities with adult	1.9	1.9	0.0	0.872	-0.9	-0.03
Sample size	*151*	*137*				
Television viewing						
Parent report						
Weekday TV (hours)	7.6	7.4	0.2	0.148	2.7	0.07
Weekend TV (hours)	6.3	5.9	0.4 ***	0.003	6.6	0.18
Sample size	*447*	*466*				
Number of educational programs (ages 3-5)	2.3	2.5	-0.1	0.220	-5.9	-0.16
Sample size	*164*	*168*				

(continued)

Table 6.6 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent weekly chores frequency: 1 (never) - 4 (daily); child weekly chores frequency: 1 (never) - 4 (daily); child weekly activity frequency (ages 9-12): 1(never) - 4 (daily).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Table 6.7

The New Hope Project

Two-Year Impacts on Child Activities and Time Use for Boys in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Chores							
Parent report							
Weekly frequency of cleaning up and making bed (ages 3-5)	3.8	4.0	-0.2	0.415	-4.5	-0.14	0.734
Sample size	*93*	*88*					
Average weekly frequency of total chores (ages 6-12)	2.6	2.8	-0.1	0.221	-5.2	-0.16	0.779
Sample size	*143*	*136*					
Child report (ages 9-12)							
Sibling care	2.2	2.1	0.1	0.764	2.9	0.05	0.266
Average weekly frequency of chores, excluding sibling care	2.4	2.3	0.1	0.311	4.9	0.18	0.450
Sample size	*76*	*62*					
Activities with adult in past week							
Child report (ages 9-12)							
Go shopping	1.7	1.9	-0.1	0.436	-6.5	-0.15	0.049 ††
Do homework	2.2	2.1	0.1	0.642	5.1	0.09	0.384
Go to church	1.6	1.7	-0.1	0.657	-4.3	-0.08	0.539
Play outdoor games	1.9	1.8	0.2	0.431	8.4	0.16	0.191
Play indoor games	1.8	1.8	0.0	0.834	2.1	0.04	0.284
Average frequency of total activities with adult	1.9	1.8	0.0	0.870	1.0	0.03	0.697
Sample size	*76*	*62*					
Television viewing							
Parent report							
Weekday TV (hours)	7.7	7.3	0.4	0.165	5.2	0.13	0.318
Weekend TV (hours)	6.3	5.8	0.5 **	0.019	8.3	0.23	0.624
Sample size	*243*	*232*					
Number of educational programs (ages 3-5)	2.2	2.5	-0.2	0.198	-8.9	-0.23	0.535
Sample size	*93*	*89*					

(continued)

Table 6.7 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent weekly chores frequency: 1 (never) - 4 (daily); child weekly chores frequency: 1 (never) - 4 (daily); child weekly activity frequency (ages 9-12): 1(never) - 4 (daily).

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for the different subgroups in this table (boys) and Table 6.8 (girls) were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different subgroups of these tables is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 6.8

The New Hope Project

Two-Year Impacts on Child Activities and Time Use for Girls in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Chores							
Parent report							
Weekly frequency of cleaning up and making up bed (ages 3-5)	3.9	4.0	-0.1	0.712	-2.0	-0.06	0.734
Sample size	*69*	*78*					
Average weekly frequency of total chores (ages 6-12)	2.6	2.7	-0.1	0.412	-3.7	-0.11	0.779
Sample size	*131*	*149*					
Child report (ages 9-12)							
Sibling care	2.3	2.6	-0.3	0.196	-10.5	-0.23	0.266
Average weekly frequency of chores, excluding sibling care	2.4	2.4	0.0	0.958	-0.2	-0.01	0.450
Sample size	*75*	*75*					
Activities with adult in past week							
Child report (ages 9-12)							
Go shopping	2.1	1.8	0.3 **	0.037	16.2	0.35	0.049 ††
Do homework	2.3	2.4	-0.1	0.463	-6.1	-0.12	0.384
Go to church	1.8	1.7	0.1	0.680	3.9	0.07	0.539
Play outdoor games	1.8	2.0	-0.2	0.273	-8.4	-0.18	0.191
Play indoor games	1.9	2.1	-0.2	0.189	-10.4	-0.23	0.284
Average frequency of total activities with adult	2.0	2.0	0.0	0.674	-1.8	-0.06	0.697
Sample size	*75*	*75*					
Television viewing							
Parent report							
Weekday TV (hours)	7.6	7.5	0.0	0.950	0.2	0.01	0.318
Weekend TV (hours)	6.3	5.9	0.3 *	0.084	5.9	0.16	0.624
Sample size	*204*	*234*					
Number of educational programs (ages 3-5)	2.4	2.5	-0.1	0.560	3.5	-0.09	0.535
Sample size	*71*	*79*					

(continued)

Table 6.8 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent weekly chores frequency: 1 (never) - 4 (daily); child weekly chores frequency: 1 (never) - 4 (daily); child weekly activity frequency (ages 9-12): 1(never) - 4 (daily).

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for the different subgroups in this table (girls) and Table 6.7 (boys) were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different subgroups of these tables is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 6.9

The New Hope Project

Two-Year Impacts on Child Activities and Time Use for Children in the Child and Family Study (CFS), by Parent's Full-Time Employment Status at Random Assignment and Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panel[b]
Employed Full Time at Random Assignment							
Chores							
Parent report							
Weekly frequency of cleaning up and making up bed (ages 3-5)	3.8	3.9	-0.1	0.634	-3.5	-0.10	0.981
Sample size	*57*	*44*					
Average weekly frequency of total chores (ages 6-12)	2.5	2.8	-0.3 **	0.040	-11.6	-0.36	0.070 †
Sample size	*88*	*76*					
Child report (ages 9-12)							
Sibling care	2.2	2.4	-0.2	0.491	-9.7	-0.20	0.736
Average weekly frequency of chores, excluding sibling care	2.5	2.4	0.1	0.521	4.4	0.17	0.584
Sample size	*45*	*36*					
Activities with adult in past week							
Child report (ages 9-12)							
Go shopping	2.0	1.9	0.0	0.912	1.5	0.04	0.897
Do homework	2.4	2.2	0.2	0.654	8.0	0.15	0.501
Go to church	2.0	1.8	0.2	0.415	11.1	0.22	0.254
Play outdoor games	2.1	1.8	0.3	0.143	19.6	0.36	0.048 ††
Play indoor games	1.9	1.9	0.1	0.845	3.4	0.07	0.406
Average frequency of total activities with adult	2.1	1.9	0.2	0.196	8.5	0.29	0.091 †
Sample size	*45*	*36*					
Television viewing							
Parent report							
Weekday TV (hours)	7.4	7.2	0.1	0.694	1.8	0.05	0.569
Weekend TV (hours)	6.1	5.8	0.2	0.401	4.3	0.12	0.248
Sample size	*152*	*127*					
Number of educational programs (ages 3-5)	2.5	2.6	-0.1	0.369	-4.7	-0.13	0.989
Sample size	*58*	*44*					

(continued)

Table 6.9 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panel[b]
Not Employed Full Time at Random Assignment							
Chores							
Parent report							
Weekly frequency of cleaning up and making up bed (ages 3-5)	3.9	4.0	-0.1	0.429	-3.5	-0.11	
Sample size	*105*	*121*					
Average weekly frequency of total chores (ages 6-12)	2.7	2.7	0.0	0.881	-0.6	-0.02	
Sample size	*186*	*209*					
Child report (ages 9-12)							
Sibling care	2.2	2.3	-0.1	0.511	-4.7	-0.09	
Average weekly frequency of chores, excluding sibling care	2.4	2.4	0.0	0.945	0.3	0.01	
Sample size	*106*	*101*					
Activities with adult in past week							
Child report (ages 9-12)							
Go shopping	1.9	1.8	0.1	0.611	3.4	0.07	
Do homework	2.2	2.2	-0.1	0.771	-2.3	-0.04	
Go to church	1.6	1.7	-0.1	0.365	-6.8	-0.13	
Play outdoor games	1.8	2.0	-0.2	0.157	-11.0	-0.23	
Play indoor games	1.8	2.0	-0.2	0.217	-8.8	-0.18	
Average frequency of total activities with adult	1.8	1.9	-0.1	0.235	-5.2	-0.18	
Sample size	*106*	*101*					
Television viewing							
Parent report							
Weekday TV (hours)	7.7	7.3	0.4	0.190	4.9	0.13	
Weekend TV (hours)	6.3	5.7	0.6 ***	0.002	10.6	0.28	
Sample size	*299*	*348*					
Number of educational programs (ages 3-5)	2.3	2.4	-0.1	0.433	-5.0	-0.13	
Sample size	*106*	*123*					

(continued)

Table 6.9 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: parent weekly chores frequency: 1 (never) - 4 (daily); child weekly chores frequency: 1 (never) - 4 (daily); child weekly activity frequency (ages 9-12): 1(never) - 4 (daily).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 6.10

The New Hope Project

Additional Two-Year Impacts on Child Activities and Time Use for Children in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Activities outside school in past week						
Child report (ages 9-12), % engaging in activity						
Play sports without coach	90.0	85.6	4.4	0.288	5.1	0.13
Take lessons	53.3	53.7	-0.4	0.980	-0.8	0.00
Play sports or take lessons with coach	52.5	60.2	-7.7	0.161	-12.7	-0.15
Go to religion classes	49.9	49.7	0.2	0.951	0.5	0.00
Go to clubs or youth groups	40.6	30.7	9.8 *	0.086	32.0	0.20
Go to recreational or community center	53.3	49.9	3.4	0.600	6.8	0.07
Average frequency of total organized activities	2.5	2.4	0.0	0.834	1.5	0.03
Sample size	*151*	*137*				
Child report (ages 9-12)						
Do homework	2.6	2.7	0.0	0.905	-1.1	-0.02
Read book or newspaper	2.4	2.4	0.0	0.846	-1.8	-0.04
Play sports without coach	2.5	2.4	0.1	0.366	5.4	0.12
Take lessons	1.7	1.6	0.1	0.500	4.5	0.07
Play sports or take lessons with coach	1.7	1.8	-0.1	0.420	-5.2	0.09
Go to religion classes	1.5	1.4	0.0	0.808	2.3	0.04
Go to clubs or youth groups	1.4	1.2	0.2 **	0.021	17.8	0.29
Go to recreational or community center	1.6	1.6	0.0	0.790	2.7	0.04
Average frequency of total organized activities	1.6	1.5	0.1	0.490	3.4	0.09
Sample size	*150*	*137*				
Activities in past year						
Parent report (ages 6-12)						
Do homework	4.0	4.2	-0.2	0.166	-3.7	-0.14
Read book or newspaper	4.6	4.6	-0.1	0.382	-1.7	-0.09
Play sports without coach	3.7	3.5	0.2	0.307	4.4	0.11
Take lessons	2.4	2.1	0.3 **	0.032	13.2	0.20
Play sports or take lessons with coach	2.3	2.2	0.1	0.356	6.1	0.09
Go to religion classes	2.8	2.8	0.0	0.846	0.1	0.02
Go to clubs or youth groups	2.0	1.9	0.1	0.370	6.1	0.09
Go to recreational or community center	2.3	2.2	0.1	0.463	4.7	0.07
Sample size	*274*	*285*				
Average frequency of total organized activities						
Ages 6-8	2.1	2.1	0.0	0.819	1.1	0.03
Sample size	*109*	*138*				
Ages 9-12	2.6	2.3	0.3 **	0.016	11.1	0.30
Sample size	*153*	*145*				
Ages 6-12	2.4	2.2	0.1	0.127	5.8	0.15
Sample size	*274*	*285*				

(continued)

Table 6.10 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: child past week activity frequency (ages 9-12): 1 (never) - 4 (daily); parent past year activity frequency: 1 (never) - 5 (daily); child past year activity frequency: 0-100.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Table 6.11

The New Hope Project

Additional Two-Year Impacts on Child Activities and Time Use for Boys in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Activities outside school in past week							
Child report (ages 9-12), % engaging in activity							
Play sports without coach	95.6	85.7	9.9 *	0.058	11.6	0.30	0.233
Take lessons	47.2	47.7	-0.5	0.956	-1.1	-0.01	0.977
Play sports or take lessons with coach	57.7	69.6	-11.8	0.152	-17.0	-0.24	0.641
Go to religion classes	47.0	50.1	-3.1	0.736	-6.3	-0.06	0.460
Go to clubs or youth groups	42.5	23.1	19.3 **	0.030	83.5	0.40	0.179
Go to recreational or community center	63.4	47.1	16.3 *	0.081	34.5	0.32	0.043 ††
Average frequency of total organized activities	2.6	2.4	0.2	0.434	8.3	0.14	0.441
Sample size	*76*	*62*					
Child report (ages 9-12)							
Do homework	2.6	2.5	0.0	0.960	0.5	0.01	0.755
Read book or newspaper	2.2	2.3	-0.1	0.565	-5.4	-0.12	0.596
Play sports without coach	2.7	2.6	0.1	0.593	4.1	0.10	0.981
Take lessons	1.6	1.5	0.1	0.334	10.2	0.15	0.499
Play sports or take lessons with coach	1.9	1.9	0.0	0.931	-0.9	-0.02	0.382
Go to religion classes	1.5	1.5	-0.1	0.711	-3.5	-0.07	0.390
Go to clubs or youth groups	1.5	1.3	0.2	0.130	16.6	0.28	0.717
Go to recreational or community center	1.8	1.7	0.2	0.358	10.2	0.17	0.259
Average frequency of total organized activities	1.7	1.6	0.1	0.341	5.7	0.16	0.531
Sample size	*76*	*62*					
Activities in past year							
Parent report (ages 6-12)							
Do homework	4.4	4.6	-0.1	0.634	-2.4	-0.13	0.633
Read book or newspaper	4.0	4.1	-0.1	0.396	-1.7	-0.06	0.401
Play sports without coach	4.0	3.7	0.3 *	0.096	8.0	0.21	0.323
Take lessons	2.2	2.0	0.3	0.177	12.8	0.18	0.599
Play sports or take lessons with coach	2.4	2.3	0.2	0.328	8.2	0.13	0.800
Go to religion classes	2.7	2.7	0.0	0.905	0.8	0.02	0.615
Go to clubs or youth groups	2.1	1.8	0.4 **	0.033	20.9	0.29	0.065 †
Go to recreational or community center	2.5	2.1	0.3 *	0.069	16.1	0.24	0.069 †
Sample size	*143*	*136*					
Average frequency of total organized activities							
Ages 6-8	2.2	2.0	0.2	0.200	9.9	0.24	0.232
Sample size	*63*	*68*					
Ages 9-12	2.5	2.3	0.2	0.135	10.6	0.29	0.920
Sample size	*74*	*68*					
Ages 6-12	2.4	2.2	0.2 **	0.048	10.6	0.27	0.382
Sample size	*143*	*136*					

(continued)

Table 6.11 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: child past week activity frequency (ages 9-12): 1 (never) - 4 (daily); parent past year activity frequency: 1 (never) - 5 (daily); child past year activity frequency: 0-100.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for the different subgroups in this table (boys) and Table 6.12 (girls) were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different subgroups of these tables is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 6.12

The New Hope Project

Additional Two-Year Impacts on Child Activities and Time Use for Girls in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Activities outside school in past week							
Child report (ages 9-12), % engaging in activity							
Play sports without coach	85.2	85.1	0.1	0.985	0.1	0.00	0.233
Take lessons	59.0	59.1	-0.2	0.983	-0.3	0.00	0.977
Play sports or take lessons with coach	46.5	52.7	-6.1	0.486	-11.7	-0.12	0.641
Go to religion classes	54.1	48.1	6.0	0.456	12.5	0.12	0.460
Go to clubs or youth groups	39.8	36.8	3.1	0.707	8.4	0.06	0.179
Go to recreational or community center	43.7	52.8	-9.1	0.294	-17.2	-0.18	0.043 ††
Average frequency of total organized activities	2.4	2.5	-0.1	0.725	-3.4	-0.06	0.441
Sample size	*75*	*75*					
Child report (ages 9-12)							
Do homework	2.7	2.8	-0.1	0.712	-3.1	-0.07	0.755
Read book or newspaper	2.6	2.6	0.0	0.924	0.7	0.02	0.596
Play sports without coach	2.3	2.3	0.1	0.556	4.4	0.09	0.981
Take lessons	1.7	1.7	0.0	0.926	-1.0	-0.02	0.499
Play sports or take lessons with coach	1.5	1.8	-0.2	0.165	-13.4	-0.23	0.382
Go to religion classes	1.4	1.3	0.1	0.403	8.5	0.15	0.390
Go to clubs or youth groups	1.4	1.2	0.3 **	0.035	23.9	0.37	0.717
Go to recreational or community center	1.4	1.5	-0.1	0.482	-7.4	-0.12	0.259
Average frequency of total organized activities	1.5	1.5	0.0	0.987	0.1	0.00	0.531
Sample size	*74*	*75*					
Activities in past year							
Parent report (ages 6-12)							
Do homework	4.1	4.3	-0.2	0.104	-5.4	-0.21	0.401
Read book or newspaper	4.7	4.7	0.0	0.640	-0.8	-0.05	0.633
Play sports without coach	3.4	3.3	0.0	0.827	1.3	0.03	0.323
Take lessons	2.6	2.3	0.4 **	0.038	16.8	0.27	0.599
Play sports or take lessons with coach	2.2	2.1	0.1	0.493	5.8	0.09	0.800
Go to religion classes	2.9	2.7	0.1	0.430	5.1	0.10	0.615
Go to clubs or youth groups	1.9	2.0	0.0	0.770	-2.4	-0.04	0.065 †
Go to recreational or community center	2.2	2.3	-0.1	0.582	-4.3	-0.07	0.069 †
Sample size	*131*	*149*					
Average frequency of total organized activities							
Ages 6-8	2.1	2.2	-0.1	0.701	-2.7	-0.07	0.232
Sample size	*46*	*70*					
Ages 9-12	2.6	2.3	0.3 *	0.063	11.2	0.31	0.920
Sample size	*79*	*77*					
Ages 6-12	2.4	2.3	0.1	0.318	4.5	0.12	0.382
Sample size	*131*	*149*					

(continued)

Table 6.12 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how responses to specific questions were measured: child past week activity frequency (ages 9-12): 1 (never) - 4 (daily); parent past year activity frequency: 1 (never) - 5 (daily); child past year activity frequency: 0-100.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for the different subgroups in this table (girls) and Table 6.11 (boys) were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different subgroups of these tables is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

In line with the parenting effects reported earlier, parents' employment status at random assignment proved to be a significant moderator of New Hope's effects on children's activities. In general, New Hope was more effective in increasing children's participation in out-of-school activities (involvement in activities at recreational or community centers) if parents were employed full time at random assignment than if they were not (Tables 6.9 and 6.13).

In sum, program group children spent more time in formal, structured activities away from home than control group children. However, effects depended on gender, the time period referenced in the question, and whether the informant was the parent or the child. Importantly, New Hope had more robust effects and positively affected participation in a broader range of activities among children whose parents were employed full time at random assignment. The reason for the latter pattern of effects is unclear. It cannot be attributed to increased income because New Hope did not increase earnings and employment among those employed full time at random assignment (see Appendix Table L4.1). The concentration of effects on activities among those children whose parents were employed full time at random assignment also does not appear attributable to increased time in formal child care settings, as employment status at random assignment was largely unrelated to program impacts on type of child care chosen.

VII. Summary

Not surprisingly, theory envisions that a program such as New Hope might have many more impacts on family process than in fact emerged from the two-year data analysis. The modest and selective nature of program effects on work hours and family income probably accounts for much of the gap, since many of the anticipated effects assumed substantial changes in work hours and family income. By and large, program and control group families alike cobbled together work opportunities and other supports already available in the Milwaukee area to meet their subsistence needs, although few lived comfortably.

Nevertheless, a number of important program impacts on family dynamics were found — impacts that could well affect children's achievement and behavior. Most striking is that New Hope's child care subsidies made formal care programs more affordable and stimulated their use by program group families. Although the program led to increased formal care for both genders, it had somewhat larger impacts on use of extended day care for boys and on center-based care for girls.

More generally, children in New Hope families spent more time in formal, structured activities away from home than did children in control group families. This may be beneficial for children's behavior and achievement, particularly in light of the often-dangerous neighborhood environments that influence children's home-based activities.

Program impacts for those employed full time at random assignment were significantly more positive on parent-reported warmth and parent-reported monitoring of children's activities than for those not employed full time. The frequency of total organized activities outside of school in the last week, as reported by the child, and in the last year, as reported by the parents, were also higher for children whose parents were employed full time at random assignment (see Table 6.13). There are many reasons to suppose that warmer and more frequent contact with parents and other adults will benefit children.

Table 6.13

The New Hope Project

Additional Two-Year Impacts on Child Activities and Time Use for Children in the Child and Family Study (CFS), by Parent's Full-Time Employment Status at Random Assignment and Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Activities outside of school in past week							
Child report (ages 9-12), % engaging in activity							
Play sports without coach	84.4	83.5	0.8	.983	1.0	0.03	.696
Take lessons	48.5	59.8	-11.3	.386	-18.9	-0.23	.300
Play sports or take lessons with coach	57.9	55.7	2.3	.794	4.0	0.05	.423
Go to religion classes	55.0	44.0	11.0	.364	24.9	0.22	.340
Go to clubs or youth groups	43.0	19.3	23.7 **	.036	122.4	0.49	.195
Go to recreational or community center	44.4	39.7	4.8	.696	12.0	0.10	.818
Average frequency of total organized activities	2.5	2.2	0.3	.375	13.9	0.21	.414
Sample size	*45*	*36*					
Child report (ages 9-12)							
Do homework	2.6	3.0	-0.5	.181	-15.0	-0.37	.162
Read book or newspaper	2.6	2.6	0.0	.909	0.8	0.02	.843
Play sports without coach	2.3	2.3	0.0	.948	0.8	0.02	.666
Take lessons	1.7	1.8	-0.1	.888	-3.0	-0.05	.555
Play sports or take lessons with coach	1.9	1.6	0.4	.151	24.5	0.37	.030 ††
Go to religion classes	1.6	1.4	0.2	.381	14.5	0.26	.271
Go to clubs or youth groups	1.5	1.3	0.3	.223	21.1	0.35	.823
Go to recreational or community center	1.7	1.3	0.4 *	.056	33.2	0.43	.072 †
Average frequency of total organized activities	1.7	1.5	0.2 *	.074	15.9	0.42	.144
Sample size	*45*	*36*					
Activities participated in last year							
Parent report (ages 6-12)							
Do homework	4.2	4.3	-0.1	.486	-3.0	-0.12	.976
Read book or newspaper	4.6	4.6	0.1	.666	1.1	0.06	.323
Play sports without coach	3.8	3.3	0.5	.057	14.1	0.32	.076 †
Take lessons	2.5	2.3	0.2	.358	10.3	0.17	.861
Play sports or take lessons with coach	2.4	2.1	0.3	.334	13.2	0.20	.384
Go to religion classes	2.8	2.6	0.2	.481	7.6	0.15	.429
Go to clubs or youth groups	2.0	1.5	0.5 **	.026	30.6	0.36	.036 ††
Go to recreational or community center	2.4	2.0	0.4	.112	19.5	0.27	.122
Sample size	*88*	*76*					
Average frequency of total organized activities							
Ages 6-8	2.4	1.9	0.4 **	.019	23.5	0.53	.006 †††
Sample size	*39*	*40*					
Ages 9-12	2.5	2.3	0.3	.314	11.3	0.31	.994
Sample size	*49*	*35*					
Ages 6-12	2.4	2.1	0.3 **	.035	15.0	0.37	.096 †
Sample size	*88*	*76*					

(continued)

Table 6.13 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Not Employed Full Time at Random Assignment							
Activities outside of school in past week							
Child report (ages 9-12), % engaging in activity							
Play sports without coach	91.8	86.9	4.9	.296	5.7	0.15	
Take lessons	54.8	51.6	3.2	.671	6.2	0.06	
Play sports or take lessons with coach	51.6	60.8	-9.3	.192	-15.2	-0.19	
Go to religion classes	48.9	51.1	-2.2	.767	-4.3	-0.04	
Go to clubs or youth groups	40.1	34.8	5.2	.483	15.0	0.11	
Go to recreational or community center	56.0	54.7	1.3	.862	2.3	0.03	
Average frequency of total organized activities	2.5	2.5	0.0	.836	-1.7	-0.03	
Sample size	*105*	*101*					
Child report (ages 9-12)							
Do homework	2.6	2.6	0.1	.710	2.7	0.06	
Read book or newspaper	2.3	2.4	0.0	.806	-1.7	-0.04	
Play sports without coach	2.6	2.4	0.1	.345	5.8	0.14	
Take lessons	1.7	1.5	0.1	.341	8.8	0.14	
Play sports or take lessons with coach	1.6	1.9	-0.3 *	.085	-13.8	-0.26	
Go to religion classes	1.4	1.4	0.0	.712	-2.8	-0.05	
Go to clubs or youth groups	1.4	1.2	0.2 **	.041	17.4	0.28	
Go to recreational or community center	1.6	1.7	-0.1	.528	-5.3	-0.09	
Average frequency of total organized activities	1.6	1.6	0.0	.907	-0.6	-0.02	
Sample size	*106*	*101*					
Activities participated in last year							
Parent report (ages 6-12)							
Do homework	4.0	4.1	-0.1	.327	-3.3	-0.12	
Read book or newspaper	4.6	4.7	-0.1	.269	-2.2	-0.12	
Play sports without coach	3.6	3.6	0.0	.907	-0.5	-0.01	
Take lessons	2.4	2.1	0.3	.078	13.7	0.20	
Play sports or take lessons with coach	2.3	2.2	0.0	.825	1.6	0.02	
Go to religion classes	2.8	2.8	0.0	.975	-0.1	0.00	
Go to clubs or youth groups	2.0	2.0	0.0	.894	-1.0	-0.02	
Go to recreational or community center	2.3	2.3	0.0	.928	-0.6	-0.01	
Sample size	*186*	*209*					
Average frequency of total organized activities							
Ages 6-8	2.0	2.2	-0.2	.181	-8.5	-0.22	
Sample size	*68*	*96*					
Ages 9-12	2.6	2.3	0.3 **	.045	11.2	0.31	
Sample size	*103*	*111*					
Ages 6-12	2.3	2.3	0.1	.617	2.4	0.06	
Sample size	*186*	*209*					

(continued)

Table 6.13 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members.

A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as * = 10 percent, ** = 5 percent, and *** = 1 percent.

The following scales describe how responses to specific questions were measured: child past week activity frequency (ages 9 12): 1 (never) - 4 (daily); parent past year activity frequency: 1 (never) - 5 (daily); child past year activity frequency: 0-100.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, this variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, † = 10 percent.

Chapter 7

New Hope's Effects on Children in the Child and Family Study Sample

In this chapter, we examine child outcomes in three major domains — education and aspirations, sense of competence and well-being, and social behavior — by comparing children in the program and control group families. Impacts on boys and girls are examined separately because there are often gender differences for the outcomes of interest and because there were some gender differences in the impacts of New Hope on child care experiences (see Chapter 6). Similarly, children whose parents were or were not employed full time at random assignment are examined separately (Appendix Tables L7.1, L7.2, and L7.3) because the economic and parenting impacts of the New Hope program were different for these two groups (see Chapters 4-6).

The chapter begins with a synopsis of the major findings, followed by more detailed descriptions of the impacts on child outcomes and an explanation of how the outcomes came about. In the final section, some implications for policy are presented.

I. Key Findings

- Teachers reported higher levels of academic achievement and higher levels of positive social behaviors (social competence, compliance, and autonomy) for New Hope children than for control group children.
- Program impacts were larger and more consistently positive for boys than for girls. According to teachers' reports, boys in program group families had higher achievement, better classroom behavior skills (working independently, following classroom rules, making transitions), more positive behavior, and fewer behavior and discipline problems than boys in control group families. Parents in program group families also reported higher levels of positive social behavior for their sons. These effects were large and reliable.
- Boys in New Hope families had higher aspirations and expectations for their future occupations and for advanced education than boys in control group families. The patterns of children's aspirations corresponded to those expressed by their parents.
- There were few program effects for girls.
- The greater impacts on boys are understood in light of boys' greater risk of academic and behavior problems in the elementary years. Parents were concerned about boys' vulnerability to gangs and antisocial behavior, and they may have used the additional resources provided by New Hope to purchase extended day care and other activities that provided supervision and learning experiences.

- Program group impacts occurred for children whose parents had been employed full time at random assignment and for those whose parents had not, but impacts on school performance, school progress, and positive social behavior were slightly larger for the latter group.

II. Conceptual Model

The conceptual model for predicting child outcomes is shown in Figure 7.1, an expansion of one portion of the model in Chapter 1 (Figure 1.4). Three aspects of the New Hope program might be expected to affect children's experiences within and outside the family: changes in income and material resources, parents' employment, and funding for child care. These features of New Hope were expected to affect the nature of the home environment, parenting, the type and quality of child care, and children's time use and activities.

Family income. Family income is correlated with children's intellectual and academic achievement, positive social behavior, and psychological well-being, but it is difficult to determine the role of income in these correlations.[1] Four income maintenance experiments in the 1960s and 1970s with random assignment designs guaranteed experimental treatment families a minimum income. In some sites elementary school children showed improved school performance and attendance compared with their counterparts in control group families.[2] One reason that low-income children's intellectual and academic functioning lags behind that of children from higher-income families is that low-income children receive less cognitive stimulation and emotional support in their home.[3] Harsh punitive behavior also contributes to the elevation of internalizing and externalizing problems in low-income children.

Parents' employment. Because it increases the amount of time away from home and often heightens feelings of role strain, a mother's employment may reduce both the quantity and quality of time she spends with her child and the quality of the child's home environment. On the other hand, such employment increases the family's material resources, provides a model of achievement to the child, and under certain circumstances boosts the mother's life satisfaction, which in turn may promote nurturant, sensitive, and involved parenting.[4]

Of the few studies concerned with the effects on children of maternal employment in low-income or working-class families, some find no effects on child functioning,[5] but several report positive effects (for example, higher academic achievement and greater social adjustment).[6] Recent efforts to estimate the effects of voluntary maternal employment in families who have received welfare suggests that the impact on children's cognitive achievement and behavior de-

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[1] Children's Defense Fund, 1994; Duncan and Brooks-Gunn, 1997; Huston, 1991; Korenman, Miller, and Sjaastad, 1995; Korbin, 1992; Hill and Sandfort, 1995; Mayer, 1997.

[2] Institute for Research on Poverty, 1976; Kershaw and Fair, 1976; U.S. Department of Health and Human Services, 1983; Salkind and Haskins, 1982.

[3] Duncan et al., 1994; Korenman, Miller, and Sjaastad, 1995; Lee and Croninger, 1994; Smith, Brooks-Gunn, and Klebanov, 1997; Brody et al., 1994; Conger and Elder, 1994; Dodge, Pettit, and Bates, 1994; McLeod and Shanahan, 1993; McLoyd et al., 1994; Sampson and Laub, 1994.

[4] Hoffman, 1989.

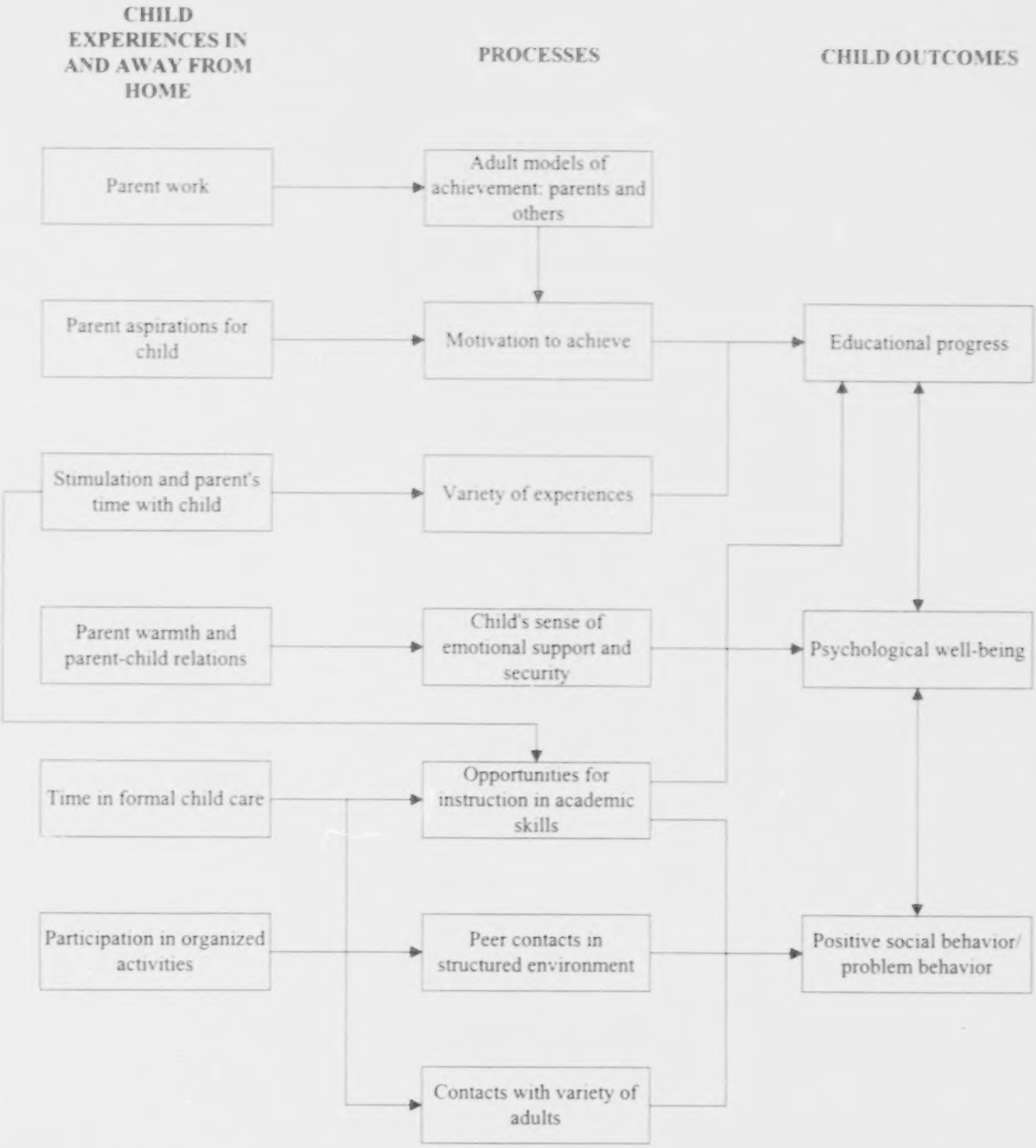
[5] Cherry and Eaton, 1977; Desai, Chase-Lonsdale, and Michael, 1989.

[6] Milne et al., 1986; Vandell and Ramanan, 1992.

Figure 7.1

The New Hope Project

Conceptual Model of the Paths Between Child Experiences and Child Outcomes


CHILD EXPERIENCES IN AND AWAY FROM HOME
PROCESSES
CHILD OUTCOMES
Parent work
Adult models of achievement: parents and others
Parent aspirations for child
Motivation to achieve
Educational progress
Stimulation and parent's time with child
Variety of experiences
Parent warmth and parent-child relations
Child's sense of emotional support and security
Psychological well-being
Time in formal child care
Opportunities for instruction in academic skills
Participation in organized activities
Peer contacts in structured environment
Positive social behavior/ problem behavior
Contacts with variety of adults

pends on the mother's wage level and the sex of the child.[7] Mother's entry into low-wage, routinized, repetitive jobs may adversely impact children's development by reducing the quality of their children's home environment.[8]

Even more relevant are experimental studies of interventions designed to increase economic self-sufficiency of mothers receiving public assistance. In the New Chance program, which provided a variety of educational and personal development services as well as child care for young mothers, there were modest positive changes in parenting shortly after the program ended. In a later follow-up, however, parents in the program group rated their children as having less positive behavior and more behavior problems than did parents in the control group. The negative effects occurred primarily when mothers were at high risk of depression.[9]

In another study of the JOBS program, mothers who were required to seek employment as a condition of public assistance were less warm and provided a less stimulating home environment than mothers in a control group who continued to receive AFDC without a work requirement; this pattern was especially marked for those who had little work history and were not currently working.[10] Children in both studies were younger than some of the children in the New Hope study, but the results raise questions about the potential stressful effects of participating in a program designed to increase employment, particularly for people who do not achieve its objectives or who have serious impediments to doing so.

Child care. In general, formal, center-based child care provides more educational opportunities, and studies suggest that it leads to more advanced cognitive and language development than informal child care.[11] However, in the New Chance study, the amount of time children had spent in child care centers accounted for some of the negative impacts on school readiness.[12] The impact of child care on social and cognitive development depends largely on its quality. Poor children who experience high-quality infant and preschool day care show better school achievement and socioemotional functioning than similar children without child care experiences or with experience in lower-quality care.[13] High-quality day care attenuates declines in intellectual functioning associated with high-risk environments.[14]

Participation in formal after-school programs that provide cognitive stimulation also is associated with academic achievement among low-income children.[15] Participation in organized after-school activities can provide children with constructive, supervised ways of spending time that might provide opportunities for developing skills and reduce the likelihood of involvement in deviant behavior.[16] Conversely, there is consistent evidence that children without adult supervision in the out-of-school hours are at risk for behavior problems and poor adjustment, particularly if they live in low-income families.[17]

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[7] Moore and Driscoll, 1997.
[8] Parcel and Menaghan, 1997.
[9] Quint, Bos, and Polit, 1997; Zaslow and Eldred, 1998.
[10] Zaslow, Dion, and Morrison, 1997.
[11] Lamb, 1997; National Institute of Child Health and Development, 1998.
[12] Quint, Bos, and Polit, 1997.
[13] Ramey and Ramey, 1992; Scarr, 1998.
[14] Burchinal et al., 1997.
[15] Posner and Vandell, 1994.
[16] Task Force on Youth Development and Community Programs, 1992.

There have been few investigations of such activities as team sports, clubs, and lessons. In one study, children who spent small amounts of time in activities had better social adjustment than those who never participated and those who participated a great deal.[18] It is also possible that the reasons for participation vary across individuals; children who already have behavior problems may be more likely to be enrolled by parents than children who are on their own after school.

Application of the conceptual model to the New Hope evaluation. In earlier chapters we presented evidence that New Hope led to modest but potentially important increases in family incomes and parents' employment. There were positive effects on parents' psychological well-being, and program group children also experienced more formal child care, extended day care, and organized out-of-school activities. For families in which the parent participant had been employed full time before entering the New Hope program, there were positive effects on some aspects of parenting.

Each of three major domains examined in this chapter — education and aspirations, sense of competence and well-being, and social behavior — could be affected positively by positive parenting practices and by experiences outside the family in child care and organized activities.

Children's pathways in these domains during early and middle childhood are important predictors of adolescent and adult success. School achievement in the early and middle grades is a strong predictor of ultimate school success, educational attainment, and employment in adolescence and adulthood.[19] Motivation and aspirations for the future affect school achievement. Self-esteem, positive peer relationships, and the absence of chronic anxiety are basic indicators of mental health. Positive social behavior is also an indicator of mental health in childhood, and it is an important predictor of social competence in adolescence and adulthood. By contrast, behavior problems, particularly externalizing problems (aggression, poor control, defiance) in middle childhood predict delinquency and aggressive disorders in adolescence and adulthood.[20]

III. Data Sources for Child Outcomes

The Child and Family Study (CFS) sample of families is described in Chapters 3 and 6. All adults in the entire New Hope sample who had at least one child between ages 1.0 and 10.99 years at random assignment were included in the CFS sample. Two years from random assignment children in eligible families were 3 through 12 years old. (Ages reported are at the time of the two-year follow-up unless otherwise indicated.)

For children aged 3-5, the data were obtained from parent reports and, for those in kindergarten, from teacher reports. For children aged 6-12, parent reports, child interviews, and teacher reports were obtained. Two age-appropriate versions of the children's instruments were used — one for ages 6-8 and one for ages 9-12. Information on standardization samples, reliability, validity, and intercorrelations among these instruments is provided in Appendix I.

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[17] Pettit et al., 1997; Marshall et al., 1997.

[18] Pettit et al., 1997.

[19] Mussen et al., 1990.

[20] Huesmann et al., 1984.

Teacher reports about children's academic performance, classroom skills, school progress, and social behavior were obtained by questionnaires mailed to the children's school. Teachers were told that children and their families were participating in a study, but not that families were involved in an evaluation of New Hope, welfare, or poverty-related programs. Details of the procedure for collecting teacher surveys are explained in Appendix D.

IV. Education and Aspirations

A. Educational Progress

The principal measure of academic achievement was the Academic Subscale of the Social Skills Rating System (SSRS). On this 10-item measure, teachers rated children's performance compared with the performances of others in the same classroom on reading skill, math skill, intellectual functioning, motivation, oral communication, classroom behavior, and parental encouragement.[21] Parents were also asked one question about their children's school performance.

On the Classroom Behavior Scale, teachers rated children's study skills, conformity to classroom rules and routines, ability to work and complete tasks independently, and ability to make transitions without becoming distracted.[22]

As in many studies of early intervention, two indicators defined absence of normal school progress: retention in grade and remedial educational services. Both parent and teacher reports were obtained.

Impacts for the full sample. Children in New Hope families performed significantly better in school, according to teacher reports on the SSRS Academic Subscale, than children in control group families. The difference was statistically significant for the full CFS sample; the means for the full sample appear in Table 7.1. The effect size indicated that the average program group child scored about .25 of a standard deviation higher than the average control group child. There were no overall significant differences between groups in teachers' ratings of classroom behavior.

According to parent reports, the program and control groups did not differ. Teacher reports are more accurate because teachers have more information about school performance and because the measure they completed contained several items assessing different aspects of performance as opposed to a single question in the parent interview.

Children in program and control group families were equally likely to be making "normal school progress." About three-quarters of each group had not been retained in grade or received remedial educational services in the previous two years.

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[21] Gresham and Elliott, 1990.

[22] Wright and Huston, 1995.

Table 7.1

The New Hope Project

Two-Year Impacts on Education for Children in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
School achievement (%)						
Parent report						
Normal school progress	76.8	72.8	4.0	0.240	5.5	0.09
School achievement	4.0	3.9	0.1	0.261	2.6	0.09
Sample size	*325*	*332*				
Teacher report						
Not making normal school progress (%)	43.7	48.5	-4.8	0.339	-10.0	-0.10
Social Skills Rating System:						
Academic Subscale	3.4	3.1	0.2 **	0.016	7.7	0.25
Classroom skills						
Total skills	3.9	3.7	0.1	0.121	4.0	0.15
Behavior skills	4.1	3.9	0.1	0.153	3.5	0.15
Independent skills	3.8	3.6	0.2	0.119	4.5	0.15
Transition skills	3.9	3.7	0.1	0.144	4.0	0.14
School type (%)						
Public	85.8	89.2	-3.4	0.340	-3.8	-0.10
Private, religious	5.3	6.7	-1.4	0.601	-20.6	-0.06
Private, nonreligious	8.9	4.2	4.7 *	0.075	114.2	0.19
Sample size	*202*	*217*				
Educational expectations (ages 9-12) (%)						
Child report						
Expects to finish high school	4.3	4.3	0.0	0.847	-0.6	-0.02
Expects to attend college	4.2	4.0	0.2	0.205	4.5	0.15
Expects to finish college	4.0	3.7	0.3 *	0.083	8.0	0.23
Sample size	*151*	*136*				
Occupational aspirations and expectations (ages 6-12) (%)						
Child report						
Aspirations	58.0	56.0	2.0	0.206	3.6	0.12
Expectations	58.1	54.9	3.2 *	0.062	5.9	0.19
Sample size	*238*	*254*				
Values and interests (%)						
Child report						
Academic interest (ages 6-8)	2.8	2.8	0.0	0.695	0.9	0.06
Sample size	*96*	*131*				
Academic interest (ages 9-12)	3.9	3.9	0.0	0.543	0.4	0.02
Academic importance (ages 9-12)	3.5	3.6	-0.1	0.426	-2.2	-0.12
Athletic importance (ages 9-12)	2.6	2.7	-0.1	0.302	-4.3	-0.13
Sample size	*151*	*136*				

(continued)

Table 7.1 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: normal school progress: 0 (no) - 100 (yes); school achievement: 1 (not well at all) - 5 (very well); Academic Subscale: 1 (lowest 10% of class) - 5 (highest 10% of class); classroom skills: 1 (almost never) - 5 (almost always); educational aspirations: 1 (not at all sure) - 5 (very sure); occupational prestige scores: 0 - 100 -- higher scores indicate more prestigious occupation; ages 6-8 academic interest: 1 (no) - 3 (yes); ages 9-12 academic interest: 1 (not true at all) - 5 (always true); academic importance: 1 (not at all important) - 4 (very important); athletic importance: 1 (not at all important) - 4 (very important).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Gender differences. Program impacts were larger for boys than for girls (Table 7.2). Teachers rated program group boys higher than control group boys on academic performance and on classroom skills, including negotiating classroom transitions and working independently. Program group boys scored about .33 of a standard deviation higher than control group boys on academic performance. For girls, by contrast, neither academic performance nor classroom behavior skills were significantly different for children in program and control group families.

The gender difference in the impact of the New Hope program should be evaluated in the light of the absolute differences between girls and boys on these measures. In the control group, girls generally were doing better in school and had better study skills than boys. In the program group, girls also were rated higher than boys, but the discrepancy was smaller than in control group families. It appears that the New Hope program brought boys' levels of academic performance and study skills closer to the typical levels for girls in both groups.

Parents' employment at random assignment. For the most part, the impacts of the New Hope program were similar for the subgroups defined by parents' full-time employment when they entered the program. There were no significant differences in the impacts across subgroups. Nevertheless, the effects were more pronounced for children whose parents were not employed at random assignment. Among those families, the program group was reported by teachers to be significantly higher than the control group on academic performance and making normal school progress (see Appendix Table L7.1).

B. Aspirations and Motivation to Achieve

In Chapter 6, we reported parents' aspirations for their children's educational attainment as well as children's perceptions of their parents' aspirations (Tables 6.1-6.3). Also, as reported in this chapter children aged 9-12 were asked about their own educational expectations (how sure they were that they would finish high school, go to college, and finish college), and children aged 6-12 were asked about occupational aspirations (what job they would like to have), and occupational expectations (what job they expected to have). Responses were coded for occupational prestige.[23] The value attached to achievement in academics and athletics was assessed by how interested children were in school and how important both academic and athletic achievement was to them.

Impacts for the full sample. Children in program group families were more certain they would finish college and expected to have jobs with higher levels of prestige (that is, jobs that involved professional and managerial activities) than children in control group families (see Table 7.1). Children in both program and control group samples expressed fairly high levels of interest and value for school and for athletic activities, but there were no significant differences between them, probably because there was little variation in responses.

Gender differences. Boys in program group families were significantly more certain that they would attend and finish college, and they had higher occupational aspirations and expectations than boys in control group families. These differences mirrored the children's perceptions of their parents' expectations for them. Program group boys thought their parents had higher expectations for their educational attainment than did control group boys (see Table 6.3).

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[23] Nakeo and Treas, 1990.

Table 7.2

The New Hope Project

Two-Year Impacts on Education for Children in the Child and Family Study (CFS), by Child's Gender

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Boys				
School achievement (%)							
Parent report							
Normal school progress	68.5	62.4	6.1	0.275	9.8	0.14	0.393
School achievement	3.8	3.7	0.1	0.423	2.7	0.09	0.772
Sample size	*179*	*156*					
Teacher report							
Not making normal school progress (%)	47.2	56.9	-9.7	0.219	-17.1	-0.19	0.254
Social Skills Rating System							
Academic Subscale	3.3	2.9	0.3 **	0.026	10.8	0.33	0.306
Classroom skills							
Total skills	3.7	3.3	0.4 **	0.012	11.3	0.38	0.038 ††
Behavior skills	3.9	3.5	0.4 **	0.020	10.0	0.38	0.034 ††
Independent skills	3.6	3.2	0.4 **	0.014	12.0	0.36	0.060 †
Transition skills	3.7	3.3	0.4 **	0.017	11.5	0.37	0.044 ††
Sample size	*113*	*95*					
Educational expectations (ages 9-12) (%)							
Child report							
Expects to finish high school	4.6	4.3	0.2	0.190	5.7	0.23	0.075 †
Expects to attend college	4.3	3.7	0.6 **	0.014	15.2	0.49	0.016 ††
Expects to finish college	4.1	3.5	0.6 **	0.026	17.2	0.46	0.073 †
Sample size	*76*	*61*					
Occupational aspirations and expectations (ages 6-12) (%)							
Child report							
Aspirations	59.3	54.4	5.0 **	0.014	9.1	0.29	0.045 ††
Expectations	58.3	54.1	4.2 *	0.069	7.7	0.24	0.329
Sample size	*125*	*116*					
Values and interests (%)							
Child report							
Academic interest (ages 6-8)	2.8	2.8	0.0	0.676	1.4	0.09	0.953
Sample size	*54*	*63*					
Academic interest (ages 9-12)	3.9	3.7	0.1	0.419	3.9	0.15	0.251
Academic importance (ages 9-12)	3.5	3.5	0.0	0.888	-0.5	-0.03	0.388
Athletic importance (ages 9-12)	2.5	2.8	-0.3	0.128	-10.2	-0.32	0.315
Sample size	*76*	*61*					

(continued)

Table 7.2 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Girls							
School achievement (%)							
Parent report							
Normal school progress	84.7	84.3	0.4	0.912	0.5	0.01	
School achievement	4.2	4.1	0.1	0.680	1.2	0.05	
Sample size	*146*	*176*					
Teacher report							
Not making normal school progress (%)	41.3	39.0	2.3	0.745	6.0	0.05	
Social Skills Rating System:							
Academic Subscale	3.4	3.3	0.1	0.408	3.5	0.12	
Classroom skills							
Total skills	4.1	4.1	0.0	0.844	-0.6	-0.02	
Behavior skills	4.2	4.3	0.0	0.737	-0.9	-0.04	
Independent skills	4.0	4.0	0.0	0.946	-0.2	-0.01	
Transition skills	4.1	4.1	0.0	0.797	-0.8	-0.03	
Sample size	*89*	*121*					
Educational expectations (ages 9-12) (%)							
Child report							
Expects to finish high school	4.1	4.3	-0.2	0.245	-5.0	-0.21	
Expects to attend college	4.0	4.2	-0.1	0.444	-3.6	-0.13	
Expects to finish college	3.9	3.9	0.0	0.935	0.5	0.01	
Sample size	*75*	*75*					
Occupational aspirations and expectations (ages 6-12) (%)							
Child report							
Aspirations	56.4	57.9	-1.5	0.566	-2.5	-0.09	
Expectations	57.2	56.4	0.8	0.779	1.4	0.05	
Sample size	*113*	*138*					
Values and interests (%)							
Child report							
Academic interest (ages 6-8)	2.8	2.7	0.0	0.714	1.1	0.07	
Sample size	*42*	*68*					
Academic interest (ages 9-12)	4.0	4.1	-0.1	0.377	-3.2	-0.13	
Academic importance (ages 9-12)	3.5	3.7	-0.2 *	0.097	-4.5	-0.25	
Athletic importance (ages 9-12)	2.6	2.7	-0.1	0.697	-2.1	-0.06	
Sample size	*75*	*75*					

(continued)

Table 7.2 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: normal school progress: 0 (no) - 100 (yes); school achievement: 1 (not well at all) - 5 (very well); Academic Subscale: 1 (lowest 10% of class) - 5 (highest 10% of class); classroom skills: 1 (almost never) - 5 (almost always); educational aspirations: 1 (not at all sure) - 5 (very sure); occupational prestige scores: 0 - 100 -- higher scores indicate more prestigious occupation; ages 6-8 academic interest: 1 (no) 3 (yes); 9-12 academic interest: 1 (not true at all) - 5 (always true); academic importance: 1 (not at all important) - 4 (very important); athletic importance: 1 (not at all important) - 4 (very important).

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a]The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b]A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

By contrast, girls' own aspirations and expectations were similar in the program and control groups, even though girls in the program group believed that their parents had lower expectations than did girls in the control group (see Table 6.3).

Parents' employment at random assignment. Although New Hope impacts on parents' aspirations for their children varied by employment group at random assignment as well as children's gender, impacts on children's responses were similar for both employment subgroups. The only exception occurred for the question about finishing high school. Impacts of New Hope on children's expectations of completing high school and on their perception of their parents' expectations were significant only in the group employed at random assignment. (Analyses including both employment at random assignment and children's gender were conducted, but are not reported in the tables.)

V. Sense of Competence and Well-Being

A. Measures

Children aged 6-12 responded to measures of perceived competence and general self-worth, peer relationships, and anxiety.

Perceived competence and self-worth. Perceived competence was measured using parallel scales designed for two age groups: the Pictorial Scale of Perceived Competence and Social Acceptance for Young Children[24] (for children 6-8) and the Self-Perception Profile (for children aged 9-12).[25] In each question, two contrasting children are described, one of whom is good at school or sports and one of whom is not. Children are asked which description is more like them. High scores indicate greater perceived competence.

Peer relationships. The Loneliness and Social Dissatisfaction Questionnaire measures children's perceptions of peer relations and friendships.[26] A sample item is: "Is it easy for you to make new friends?" High scores represent satisfaction with peer relationships.

Anxiety. Children's general anxiety was measured with an abbreviated version of the Revised Children's Manifest Anxiety Scale.[27] The questions measure physiological anxiety (for example, have trouble going to sleep), worry/oversensitivity (for example, worry a lot), and social concerns (for example, other children are happier). These were summed to form a total anxiety score. High scores indicate high anxiety.

Children's feelings of competence, perceived peer relationships, and levels of anxiety were correlated with one another. Those who felt most competent also felt more satisfied with their peer relationships and less anxious. (See Appendix I for relationship between measures.)

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[24] Harter, 1985.

[25] Harter and Pike, 1984.

[26] Asher and Wheeler, 1985; Cassidy and Asher, 1992.

[27] Pela and Reynolds, 1982; Reynolds, and Richmond, 1985.

B. Impacts of the New Hope Program

The means for the three measures of well-being are shown in Table 7.3 for the total sample and in Table 7.4 for boys and girls separately. Children in program group families did not perceive their competencies or their peer relations differently than children in control group families did.

There were slight differences on the anxiety scores. Older children (ages 9-12) in the program group expressed slightly lower social concern than those in the control group, but younger program group boys (ages 6-8) expressed slightly more physiological anxiety than control group boys (Table 7.4). Impacts for children whose parents were and were not employed at random assignment appear in Appendix Table L7.2. There were few differences in impacts across subgroups, and they probably occurred by chance.

It is possible that these measures failed to detect areas in which children's well-being could have been affected or that effects might occur after a longer time period, but the results obtained at this juncture suggest that the New Hope program had little effect on children's sense of competence and emotional well-being.

VI. Social Behavior

The New Hope program was expected to enhance positive social behavior and to reduce problem behavior through pathways similar to those already discussed: warm and firm parent-child relationships and participation in formal child care and activities outside the home.

A. Positive Social Behavior

In many studies of children from low-income families, the negative aspects of social behavior are emphasized. In this study we give equal emphasis to positive and problem behavior. Both parents and teachers completed the Positive Behavior Scale. The 25 items in it are divided into three subscales: compliance and self-control (thinks before he/she acts, usually does what I tell him/her), social competence and sensitivity (gets along well with other children, shows concern for other people's feelings), and autonomy (tries to do things for him/herself, is self-reliant). Because of time restrictions on the parent interview, parents completed these scales for only one of their children (the first focal child), but teachers were asked about all school-age children.

Impacts for the full sample. Teachers rated program group children higher than control group children on positive social behavior, including social competence, compliance, and autonomy. The average score for New Hope children was about .25 of a standard deviation higher than that for control group children. The means are shown in Table 7.5. The difference was significant for the entire sample on each of the three subscales as well as on the total score. However, there were no differences in parents' ratings of program and control children on these measures.

Gender differences. Although girls were rated higher than boys on positive social behavior, the differences associated with New Hope participation were more pronounced and reliable for boys (see Table 7.6). Teachers rated boys from program group families as more socially competent, more compliant, and more autonomous than boys from control group families. The

Table 7.3

The New Hope Project

Two-Year Impacts on Psychological Well-Being for Children in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Perceived competence (%)						
Child report						
Cognitive competence (ages 6-8)	3.6	3.6	0.0	0.405	-1.1	-0.12
Physical competence (ages 6-8)	3.7	3.7	0.0	0.667	-0.5	-0.06
Sample size	*96*	*131*				
Scholastic competence (ages 9-12)	2.8	2.8	0.0	0.821	0.7	0.03
Athletic competence (ages 9-12)	2.8	2.8	0.0	0.600	1.5	0.07
Global self-worth (ages 9-12)	3.3	3.2	0.1	0.170	3.5	0.17
Sample size	*150*	*135*				
Teacher report						
Athletic competence	2.9	2.7	0.1 *	0.063	4.5	0.21
Sample size	*177*	*185*				
Friendship (loneliness) (%)						
Child report						
Friendship (ages 6-8)	2.5	2.5	0.0	0.523	1.1	0.09
Sample size	*97*	*131*				
Friendship (ages 9-12)	4.1	4.1	0.1	0.327	2.1	0.12
Sample size	*151*	*136*				
Anxiety (%)						
Child report						
Total anxiety (ages 6-8)	2.1	2.1	0.0	0.843	0.6	0.03
Physiological anxiety (ages 6-8)	2.0	2.0	0.1	0.358	3.9	0.12
Sample size	*97*	*131*				
Total anxiety (ages 9-12)	2.5	2.7	-0.1	0.157	-5.2	-0.18
Physiological anxiety (ages 9-12)	2.6	2.6	-0.1	0.556	-2.4	-0.08
Worry/sensitivity anxiety (ages 9-12)	2.4	2.6	-0.2	0.165	-6.2	-0.18
Social concerns (ages 9-12)	2.6	2.8	-0.2 *	0.072	-7.6	-0.23
Sample size	*150*	*136*				

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: perceived competence: 1 (not very good) - 4 (very good); ages 6-8 friendship: 1 (no) - 3 (yes); ages 9-12 friendship: 1 (not true at all) - 5 (always true); ages 6-8 anxiety: 1 (no) - 3 (yes); ages 9-12 anxiety: 1 (not true at all/never) - 5 (always true/all of the time).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between programand control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Table 7.4

The New Hope Project

Two-Year Impacts on Psychological Well-Being for Children in the Child and Family Study (CFS), by Child's Gender

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
		Boys					
Perceived competence (%)							
Child report							
Cognitive competence (ages 6-8)	3.6	3.6	0.0	0.519	-1.2	-0.14	0.821
Physical competence (ages 6-8)	3.7	3.7	-0.1	0.368	-1.5	-0.19	0.690
Sample size	*54*	*63*					
Scholastic competence (ages 9-12)	2.9	2.8	0.1	0.461	3.5	0.14	0.437
Athletic competence (ages 9-12)	2.9	2.9	0.1	0.597	2.4	0.11	0.824
Global self-worth (ages 9-12)	3.4	3.2	0.2	0.140	5.2	0.25	0.654
Sample size	*75*	*61*					
Teacher report							
Athletic competence	2.9	2.8	0.1	0.287	3.6	0.17	0.798
Sample size	*102*	*80*					
Friendship (loneliness) (%)							
Child report							
Friendship (ages 6-8)	2.5	2.5	0.0	0.479	1.9	0.15	0.532
Sample size	*54*	*63*					
Friendship (ages 9-12)	4.2	4.0	0.2	0.134	5.1	0.29	0.280
Sample size	*76*	*61*					
Anxiety (%)							
Child report							
Total anxiety (ages 6-8)	2.2	2.1	0.1	0.319	4.1	0.20	0.206
Physiological anxiety (ages 6-8)	2.2	2.0	0.2 *	0.086	10.3	0.33	0.109
Sample size	*54*	*63*					
Total anxiety (ages 9-12)	2.5	2.7	-0.2	0.191	-6.9	-0.25	0.592
Physiological anxiety (ages 9-12)	2.6	2.8	-0.2	0.179	-7.9	-0.26	0.130
Worry/sensitivity anxiety (ages 9-12)	2.5	2.6	-0.1	0.667	-2.9	-0.08	0.418
Social concerns (ages 9-12)	2.6	2.8	-0.3	0.115	-9.1	-0.28	0.609
Sample size	*75*	*61*					

(continued)

Table 7.4 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
		Girls					
Perceived competence (%)							
Child report							
Cognitive competence (ages 6-8)	3.6	3.7	-0.1	0.336	-1.7	-0.20	
Physical competence (ages 6-8)	3.7	3.7	0.0	0.662	-0.6	-0.08	
Sample size	*42*	*68*					
Scholastic competence (ages 9-12)	2.8	2.9	0.0	0.725	-1.3	-0.05	
Athletic competence (ages 9-12)	2.7	2.7	0.0	0.748	1.3	0.06	
Global self-worth (ages 9-12)	3.2	3.1	0.1	0.446	3.0	0.14	
Sample size	*75*	*74*					
Teacher report							
Athletic competence	2.8	2.7	0.1	0.176	5.0	0.23	
Sample size	*75*	*105*					
Friendship (loneliness) (%)							
Child report							
Friendship (ages 6-8)	2.5	2.5	0.0	0.872	-0.4	-0.03	
Sample size	*43*	*68*					
Friendship (ages 9-12)	4.1	4.1	0.0	0.896	0.4	0.02	
Sample size	*75*	*75*					
Anxiety (%)							
Child report							
Total anxiety (ages 6-8)	2.0	2.1	-0.1	0.400	-3.6	-0.17	
Physiological anxiety (ages 6-8)	1.9	1.9	-0.1	0.520	-4.2	-0.13	
Sample size	*43*	*68*					
Total anxiety (ages 9-12)	2.5	2.6	-0.1	0.476	-3.3	-0.11	
Physiological anxiety (ages 9-12)	2.6	2.5	0.1	0.489	3.7	0.11	
Worry/sensitivity anxiety (ages 9-12)	2.4	2.6	-0.3 *	0.077	-9.7	-0.29	
Social concerns (ages 9-12)	2.6	2.7	-0.1	0.348	-5.3	-0.15	
Sample size	*75*	*75*					

(continued)

Table 7.4 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: perceived competence: 1 (not very good) 4 (very good); ages 6-8 friendship: 1 (no) - 3 (yes); ages 9-12 friendship: 1 (not true at all) - 5 (always true); ages 6-8 anxiety: 1 (no) - 3 (yes); ages 9-12 anxiety: 1 (not true at all/never) - 5 (always true/all of the time).

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Table 7.5

The New Hope Project

Two-Year Impacts on Social Behavior for Children in the Child and Family Study (CFS), by Child's Age

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]
Positive behavior (%)						
Parent report						
Total positive behavior	4.0	3.9	0.0	0.713	0.3	0.03
Social competence	4.1	4.0	0.0	0.720	0.3	0.03
Compliance	3.6	3.6	0.0	0.754	0.4	0.02
Autonomy	4.3	4.3	0.0	0.814	0.2	0.02
Sample size	*280*	*290*				
Teacher report						
Total positive behavior	3.7	3.5	0.2 **	0.013	4.7	0.25
Social competence	3.7	3.6	0.1 **	0.040	4.1	0.21
Compliance	3.7	3.5	0.2 **	0.018	5.2	0.24
Autonomy	3.6	3.5	0.2 **	0.011	5.3	0.26
Sample size	*201*	*217*				
Child report						
Self-control (ages 9-12)	3.5	3.3	0.1	0.300	3.4	0.13
Sample size	*150*	*136*				
Problem behavior (%)						
Parent report						
Total behavior problems (ages 3-5)	2.4	2.5	-0.1	0.407	-2.4	-0.12
Externalizing problems (ages 3-5)	2.7	2.8	-0.1	0.423	-2.3	-0.11
Internalizing problems (ages 3-5)	1.8	1.8	-0.1	0.513	-3.3	-0.09
Sample size	*111*	*126*				
Total behavior problems (ages 6-12)	2.3	2.4	0.0	0.807	-0.8	-0.03
Externalizing problems (ages 6-12)	2.4	2.4	0.0	0.866	-0.6	-0.02
Internalizing problems (ages 6-12)	2.2	2.3	0.0	0.832	-0.8	-0.02
Sample size	*167*	*159*				
Teacher report						
Total behavior problems	2.3	2.3	-0.1	0.230	-3.2	-0.12
Externalizing problems	2.1	2.2	-0.1	0.326	-4.0	-0.10
Internalizing problems	2.2	2.3	-0.1	0.349	-2.6	-0.10
Hyperactivity	2.5	2.6	-0.1	0.382	-2.8	-0.09
Frequency of disciplinary action	2.7	2.6	0.0	0.896	0.7	0.01
Sample size	*201*	*217*				
Child report						
Social problem-solving (ages 6-12)						
Total social competency score	5.0	5.1	-0.1	0.457	-2.2	-0.06
Total aggression score	0.9	0.9	-0.1	0.432	-7.2	-0.07
Sample size	*249*	*269*				

(continued)

Table 7.5 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: positive behavior: 1 (never) - 5 (all of the time); ages 9-12 self-control: 1 (never) - 5 (all of the time); parent and teacher report of problem behavior: 1 (never) - 5 (all of the time); frequency of discipline: 1 (never) - 5 (several times a week); social problem-solving: 0-8 sum of number of particular response across stories.

Actual sample sizes for individual measures may vary as a result of missing data.

[a]The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Table 7.6

The New Hope Project

Two-Year Impacts on Social Behavior for Children in the Child and Family Study (CFS), by Child's Gender

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Boys				
Positive behavior (%)							
Parent report							
Total positive behavior	4.0	3.9	0.1 *	0.068	2.7	0.22	0.026 ††
Social competence	4.1	4.0	0.1	0.124	2.3	0.18	0.082 †
Compliance	3.6	3.5	0.1 *	0.071	3.9	0.22	0.024 ††
Autonomy	4.3	4.2	0.1	0.223	1.9	0.15	0.096 †
Sample size	*155*	*137*					
Teacher report							
Total positive behavior	3.6	3.3	0.3 **	0.001	9.9	0.50	0.023 ††
Social competence	3.7	3.3	0.3 **	0.002	10.2	0.49	0.011 ††
Compliance	3.5	3.2	0.4 **	0.003	11.3	0.47	0.044 ††
Autonomy	3.6	3.4	0.3 **	0.016	7.5	0.36	0.261
Sample size	*113*	*96*					
Child report							
Self-control (ages 9-12)	3.4	3.2	0.2	0.345	5.3	0.18	0.516
Sample size	*75*	*61*					
Problem behavior (%)							
Parent report							
Total behavior problems (ages 3-5)	2.4	2.5	-0.1	0.425	-3.5	-0.17	0.701
Externalizing problems (ages 3-5)	2.8	2.9	-0.1	0.614	-2.4	-0.12	0.928
Internalizing problems (ages 3-5)	1.7	1.8	-0.2	0.248	-8.1	-0.21	0.389
Sample size	*62*	*66*					
Total behavior problems (ages 6-12)	2.3	2.4	-0.1	0.196	-5.7	-0.22	0.103
Externalizing problems (ages 6-12)	2.3	2.5	-0.1	0.259	-5.9	-0.19	0.147
Internalizing problems (ages 6-12)	2.2	2.4	-0.1	0.315	-5.4	-0.17	0.212
Sample size	*93*	*71*					
Teacher report							
Total behavior problems	2.3	2.6	-0.3 **	0.003	-11.4	-0.48	0.000 †††
Externalizing problems	2.1	2.5	-0.4 **	0.001	-17.1	-0.51	0.000 †††
Internalizing problems	2.2	2.3	-0.1	0.151	-5.8	-0.22	0.162
Hyperactivity	2.6	3.0	-0.3 **	0.015	-10.6	-0.39	0.007 †††
Frequency of disciplinary action	2.9	3.3	-0.4 **	0.045	-13.0	-0.30	0.003 †††
Sample size	*113*	*96*					
Child report							
Social problem-solving (ages 6-12)							
Total social competency score	4.7	4.8	-0.1	0.551	-2.7	-0.08	0.863
Total aggression score	0.9	1.0	-0.1	0.582	-7.2	-0.07	0.974
Sample size	*131*	*126*					

(continued)

Table 7.6 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
		Girls					
Positive behavior (%)							
Parent report							
Total positive behavior	4.0	4.0	-0.1	0.177	-1.9	-0.17	
Social competence	4.1	4.1	-0.1	0.312	-1.6	-0.12	
Compliance	3.6	3.7	-0.1	0.178	-2.7	-0.16	
Autonomy	4.2	4.3	-0.1	0.222	-1.8	-0.14	
Sample size	*123*	*148*					
Teacher report							
Total positive behavior	3.8	3.7	0.0	0.716	0.8	0.05	
Social competence	3.7	3.8	0.0	0.896	-0.3	-0.02	
Compliance	3.8	3.8	0.1	0.588	1.4	0.07	
Autonomy	3.6	3.5	0.1	0.364	2.5	0.13	
Sample size	*88*	*121*					
Child report							
Self-control (ages 9-12)	3.5	3.5	0.0	0.894	0.6	0.02	
Sample size	*75*	*75*					
Problem behavior (%)							
Parent report							
Behavior problems (ages 3-5)	2.4	2.5	0.0	0.795	-1.2	-0.06	
Externalizing problems (ages 3-5)	2.7	2.8	-0.1	0.701	-1.9	-0.09	
Internalizing problems (ages 3-5)	1.9	1.8	0.0	0.902	1.0	0.03	
Sample size	*49*	*60*					
Total behavior problems (ages 6-12)	2.4	2.3	0.1	0.324	4.4	0.16	
Externalizing problems (ages 6-12)	2.5	2.4	0.1	0.368	5.0	0.15	
Internalizing problems (ages 6-12)	2.3	2.2	0.1	0.432	4.1	0.12	
Sample size	*74*	*88*					
Teacher report							
Total behavior problems	2.2	2.1	0.1	0.128	6.0	0.21	
Externalizing problems	2.1	1.8	0.2 *	0.058	12.2	0.27	
Internalizing problems	2.3	2.2	0.0	0.650	1.8	0.07	
Hyperactivity	2.3	2.2	0.1	0.277	5.0	0.14	
Frequency of disciplinary action	2.4	2.0	0.4 **	0.029	18.6	0.26	
Sample size	*88*	*121*					
Child report							
Social problem-solving (ages 6-12)							
Total social competency score	5.3	5.4	-0.1	0.704	-1.5	-0.05	
Total aggression score	0.8	0.9	-0.1	0.580	-7.4	-0.07	
Sample size	*118*	*143*					

(continued)

Table 7.6 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: positive behavior: 1 (never) - 5 (all of the time); ages 9-12 self-control: 1 (never) - 5 (all of the time); parent and teacher report of problem behavior: 1 (never) - 5 (all of the time); frequency of discipline: 1 (never) - 5 (several times a week); sociap sroblem-solving: 0-8 sum of number of particular response across stories.

Actual sample sizes for individual measures may vary as a result of missing data.

Sample sizes for program and control groups differ because of random sampling error and small differences in response rates across different groups of children. Re-weighting the sample to account for this variation did not affect the estimates in a meaningful way. Therefore, this table reports unweighted estimates.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

effect sizes shown in Table 7.6 indicate that New Hope boys scored about .50 of a standard deviation above control group boys.

Program group parents also rated their sons significantly higher on positive social behavior, particularly on compliance, than did control group parents. Girls, by contrast, showed no significant program impacts on either teacher or parent ratings.

Parent and teacher ratings were minimally related (the correlation between their ratings was .19), a finding which is consistent with many other findings on children's social behavior. Children behave differently in different contexts, so parents and teachers actually see different levels of positive and problem behavior. This does not mean that children are inconsistent within contexts; they often have stable patterns of behavior within a setting (for example, being helpful and compliant at home). Parents and teachers may also have different biases when rating children, but they should not affect the *difference* between program and control groups. The most reasonable way to interpret any results found is that the behavior reported is valid for the context in which the observations were made.

In both home and school contexts, then, boys in program group families demonstrated more compliant positive social behavior than boys in control group families. The fact that parent and teacher ratings were relatively independent, tapping different behavioral contexts, makes the impact findings even more striking.

B. Problem Behavior

Both parents and teachers rated children on *externalizing* and *internalizing* problems using the Problem Behavior Scale of the Social Skills Rating System.[28] Externalizing problems include aggression and lack of behavior control (is aggressive toward people or objects, has temper tantrums). Internalizing problems include social withdrawal and excessive fearfulness (appears lonely, acts sad or depressed). The items are slightly different for children aged 3-5 than for those aged 6-12.[29] Teachers also completed a hyperactivity scale (is easily distracted, disturbs ongoing activities) and reported how often they had to discipline children for misbehavior. As was true for positive behavior, the correlations between parent and teacher ratings were low (externalizing $r = .19$; internalizing $r = .12$).

Impacts for the full sample. There were no overall group differences on teacher or parent ratings of problem behavior (see Table 7.5).

Gender differences. Teachers rated boys higher than girls generally on behavior problems, but they reported fewer externalizing problems, less hyperactivity, and fewer disciplinary actions for program group boys than for control group boys. That is, program group boys were less disruptive, aggressive, and hyperactive in school. They scored almost .50 of a standard deviation lower than control group boys. Teachers reported more externalizing behavior problems and more disciplinary actions for girls in the program group than in the control group. Program group girls scored about .25 of a standard deviation higher than control group girls.

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[28] Gresham and Elliott, 1990.

[29] Children who were rated higher on positive behaviors had relatively few problem behaviors, and those with many problems had relatively low scores on positive behavior. Children with high levels of externalizing problems were especially likely to be rated low on compliance, as one might expect. Nevertheless, the modest size of the correlations indicates that positive and problem behaviors were not simply the opposite ends of a single dimension. They describe different aspects of children's behavior.

The greater impact of New Hope on boys' positive social behavior and problem behavior should be placed in the context of the average levels for boys and girls. Girls in the control group generally scored higher than boys on positive social behavior and lower on behavior problems, particularly in the ratings made by teachers. Scores for boys in the program group were slightly less positive than those for girls, but they approached the levels of girls' scores.

Parents' employment at random assignment. The impacts of the program on children's positive social behavior and problem behavior did not differ significantly for the two employment subgroups. Nevertheless, the positive impacts were larger and more likely to reach statistical significance in families in which the parent had not been employed at random assignment than in families with full-time employment at random assignment. (The means appear in Appendix Table L7.3.)

C. Social Problem-Solving

The Social Problem-Solving Skills measure, administered to children aged 6-12, contains illustrated hypothetical situations that are designed to elicit children's responses to peer conflicts or provocation (being pushed out of line at school) and to situations requiring social initiation (wanting to join a kickball game).[30]

Children gave open-ended responses indicating what they could say or do in each situation. Responses were coded as aggressive/punitive (physical or verbal attack or retaliation or appeal to an authority to punish the transgressor), socially competent (socially appropriate actions such as asking, making deals, sharing), or other.

Impact for the full sample. Most children in all groups gave socially competent responses and offered few aggressive problem solutions. There were no differences between program and control group children (Table 7.5).

D. Self-Control

Children aged 9-12 completed the Children's Perceived Self-Control Scale[31] measuring their ability to concentrate in school: for example, "At school, you think about other things while you work." There were no program-control differences in the children's scores (Table 7.5).

VII. Conclusion and Interpretation

A. Summary of Impacts

On the whole, children in New Hope program group families were faring better than those in control group families. They were making better academic progress and displayed more positive social behavior. All of these differences occurred primarily for boys; the pattern for girls was less consistent and more mixed.

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[30] Dodge, Pettit, and Bates, 1994; Dodge et al., 1995.

[31] Humphrey, 1982.

Although we expected gender to be important, explanations of the stronger positive effects for boys are largely *post hoc*. The analyses in Chapter 6 showed positive impacts of the program on boys' perceptions of positive relationships with their parents and on participation in extended day care and organized out-of-school activities. Program group girls were in formal child care and took more lessons than control group girls, but they were not as likely as boys to be in organized group activities.

One explanation for the differential impacts may be boys' greater vulnerability or risk of academic and behavior problems in the elementary years. The ethnographic interviews suggest that parents were more worried about their boys than about their girls becoming involved in delinquent activity, a worry that appears justified in light of the fact that control group boys had considerably lower school performance, lower positive behavior, and more behavior problems than control group girls. Parents may have made more efforts and invested more resources in insuring that boys had alternatives to hanging out with unsupervised peers after school. These supervised contexts may have been particularly effective because of boys' vulnerability when they are not supervised.

A second possible explanation is that boys and girls responded differently to the role models provided by their parents. About 90 percent of the parents in the CFS sample were women; thus, girls may have used their participating parents' jobs as examples of their own future more than boys did. Overall, New Hope led boys to have higher aspirations for their own future, but, for girls, it had no effect or led to lowered aspirations. Earlier literature on mothers' employment suggests it enhances girls' achievement aspirations, but the samples were primarily middle-class families in which mothers had fairly high-status jobs. For these low-income families, the realities of the low-wage employment world for women may have become more apparent to New Hope parents and their daughters, whereas sons (and their mothers) may not have considered their mother's employment experiences as relevant to their own future. Similarly, girls' more frequent behavior and discipline problems at school may indicate increased assertiveness as a response to their mother's active efforts to improve their life.

B. Social Significance and Validity of Impacts

The program impacts on several important child outcomes were statistically significant, but were they also socially significant? Because many of the measures in this section contain scales with different reference points, we show effect sizes in all tables as one means of estimating the magnitude of the program impacts. Cohen (1988) provides one way of understanding what an effect size means: .10 is small, .30 is medium, and .50 is large. In research outside the laboratory, small effect sizes are typical because of the many uncontrolled and unmeasured factors affecting the outcomes.

Using these criteria, many of the impacts of the New Hope program were "small" to "medium," but for boys some impacts approached or exceeded the "large" level. The largest effect sizes occurred for teacher ratings of boys' positive social behavior and externalizing behavior problems. Both had effect sizes of .50 or greater, indicating that the average boy in the program group scored above (for positive behavior) or below (for externalizing) 69 percent of the control group boys. For academic performance and aspirations, the effect sizes for boys fell between "medium" and "large." These differences are sufficiently large to be socially important. An effect size of .33 on school performance, for example, indicates that the average boy in New Hope scored above 63 percent of the boys in the control group. Effects approximating .33 to .50 of a standard deviation could make an important difference in a child's current level of functioning and could establish a pathway to better educational attainment and fewer deviant behaviors in the future.

The impacts on child outcomes are particularly persuasive because they appeared on measures obtained from multiple sources. Teachers were given no information about children's participation in New Hope or other interventions, so the program-control group differences on the teacher ratings are unlikely to have been affected by knowledge of the intervention. Impacts also occurred for answers that children themselves provided. Measures obtained from parents, who might have been most likely to be affected by their knowledge of the New Hope treatment and the evaluation design, showed fewer treatment differences than did measures completed by teachers and children. In short, the program impacts are real, and they are large enough to be socially significant.

C. Mediating Processes

The conceptual model guiding the study can be helpful in understanding how parents' participation in an employment-based poverty-reduction program translated into impacts on their children's school performance and social behavior. Two major theoretical traditions guided the selection of processes shown in the model (see Chapter 1, Figure 1.4): those emphasizing family resources and those emphasizing parenting and socialization.

The paths in the conceptual model that pertain to resources are those that trace changes in income, material well-being, and time resources through children's activities, child care, and family management. According to this view, the improvements in family income and material well-being could enable parents to provide more stimulating and varied experiences for their children both at home and away from home.

Child care was a major resource provided by New Hope; the subsidy was used by almost half of the parents in the CFS sample. New Hope parents used center-based child care for both preschool and elementary school children, as well as extended day care in schools. Although we have little information on the quality of care in these settings, there is some evidence that center-based care, on average, is more likely than home-based care to enhance both academic and social skills.[12] Similarly, school-based extended day care for elementary school children can contribute to school performance, partly because it provides a setting for tutoring, completing assignments, and engaging in a variety of activities.[13]

Organized activities during nonschool hours constitute another potential means by which children in program group families acquired social and academic skills. As children move through the years of middle childhood (from about ages 6 to 12), they achieve increasing autonomy and independence of adult supervision. Organized sports, recreation centers, clubs, and lessons all can provide structure, opportunities for learning and practicing skills, constructive peer interaction, and contact with adults. The effects of New Hope on children's participation in structured activities (formal child care and structured out-of-school activities) points toward out-of-home activities as an important mediator of the effects on children's academic and social functioning.

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[12] Lamb, 1997.

[13] Posner and Vandell, 1994.

Parenting and parent-child relations are also pathways by which New Hope might convey impacts to children. There is evidence that New Hope had positive effects on parents' psychological well-being and parenting, but these positive effects were concentrated in the group who entered the program with full-time employment. These positive changes in parenting may have been one path by which children's behavior was influenced, but if parenting was primarily responsible for the impacts on children, one would expect those impacts to be concentrated in this subgroup.

The program impacts on children were at least as large, and often larger, for families who were not working full time at random assignment. The major positive effects of the program on parents in this subgroup were increased work hours, earnings, and income. Although these parents benefited from social support provided by the program, the impact on their psychological well-being was more mixed because they also felt more time pressure than control group members did. It appears, then, that the resources resulting from New Hope participation may have been important mediators of the child outcomes. New Hope provided parents with the means to use formal child care; the slight increases in cash income may also have enabled them to pay for lessons, sports activities, and clubs, many of which require a monetary contribution from families. These added resources may have been particularly important to these subgroup members because their incomes were lower and their poverty deeper than those of people who were employed full time at random assignment.

D. Policy Implications

Whatever the reasons, the combination of circumstances brought about by New Hope led to improved school performance and social behavior, particularly for boys. An intervention that significantly reduces antisocial behavior and improves school performance for boys living in poor families could produce important long-term benefits. Many children in New Hope families are statistically at risk for delinquency and school failure as they approach adolescence. By definition, their families are poor; most are ethnic minorities, and most are headed by single mothers. If the experiences provided through New Hope can change young boys' trajectories toward better school performance, more competent social behavior, and fewer problems of poor behavior control, the odds of school completion and socially competent adolescent development will be increased.

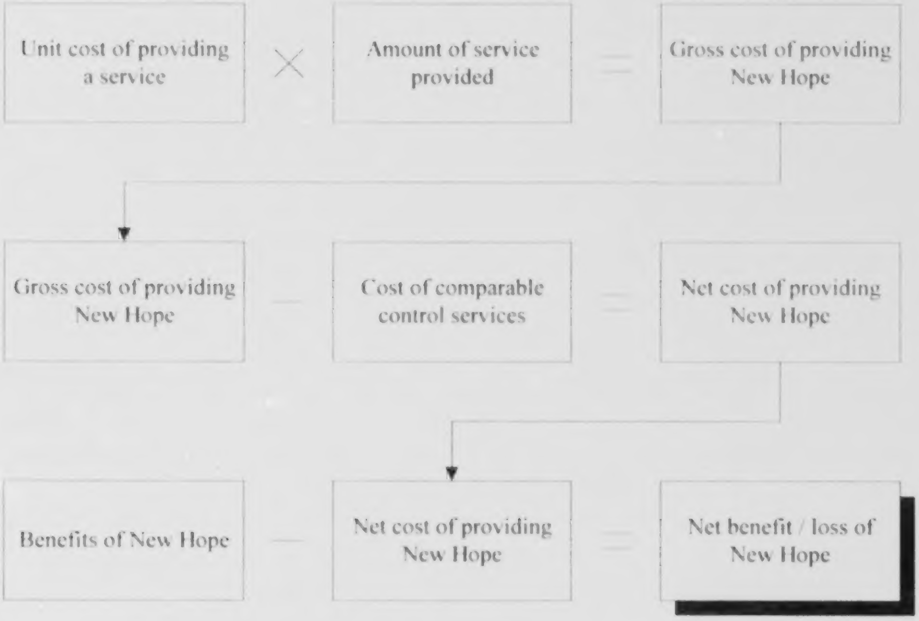
Access to formal child care, extended day care in schools, and structured out-of-school activities appears to be an important path by which the New Hope impacts on children occurred. If that is correct, there are clear public policy implications. Public policy can readily increase availability of child care, after-school activities, and other opportunities for supervised, structured activities for children, which may, in turn, significantly alter developmental trajectories for young boys and girls in low-income families.

Chapter 8

Costs and Benefits of New Hope

The preceding chapters presented effects of the New Hope program on many aspects of participants' lives. The program increased sample members' work effort and increased the income of many participants, but reduced the income of some; reduced stress, worries, and material hardship; stimulated use of formal child care; and improved some measures of parenting and some child outcomes. All of these program effects define New Hope's "benefits" for its participants. This chapter presents the costs of bringing about these effects, comparing these costs to different measures of program benefits.

In brief, net benefits of New Hope are estimated as follows: After the "unit cost" of the various services provided to program group members (for example, of providing one monthly earnings supplement or of enrolling one family in New Hope's HMO plan) are established, the next step is to multiply the unit costs by the amount of services provided to participants. The result is a "gross" cost estimate of the expenses incurred by New Hope for the services it provided during the two-year follow-up period. The next step is to subtract costs of similar services used by controls outside the New Hope context. (Data on the use and the cost of these services are not very detailed, making these estimates less precise than those based on cost data for program group members only.) This produces an estimate of the "net cost" of New Hope, which can then be compared with program benefits such as increases in income and work effort, producing an estimate of the program's "net benefit." A diagram summarizes these steps:


Unit cost of providing a service
×
Amount of service provided
=
Gross cost of providing New Hope
Gross cost of providing New Hope
—
Cost of comparable control services
=
Net cost of providing New Hope
Benefits of New Hope
—
Net cost of providing New Hope
=
Net benefit / loss of New Hope

The estimates of program benefits and costs discussed here are not complete. First, by design the analysis is limited to items that were included in the evaluation's data collection efforts, and among those items the analysis relies mostly on outcomes that were measured in monetary terms. In other words, the comparison of benefits and costs does not quantify important outcomes such as time use, stress, worries, and other measures of personal well-being. Second, this comparison of costs and benefits does not capture any long-term effects of New Hope on participants and their families. A more comprehensive analysis of costs and benefits would include experiences in the third year of follow-up and beyond. Such an analysis will appear in a future report. For details on assumptions underlying the benefit-cost study, see the text box at the end of the chapter.

I. Key Findings

- New Hope spent $9,056 per program group member to provide all program services for two years.
- Child care subsidies were the most expensive component of the New Hope program, accounting for 26.2 percent of all program costs.
- Offsetting New Hope's program expenses were $944 in savings to other programs, such as AFDC, Food Stamps, Medicaid, and other programs providing assistance with child care.
- On average, each program group member experienced a net benefit of $4,616.
- Overall, the costs of operating New Hope exceeded the program's measured benefits to participants. However, many benefits were not valued in dollar terms and not accounted for in the analysis. For the two main subgroups presented in this report, the program proved more cost effective for those not employed full time at random assignment.

II. The Cost of Providing New Hope's Services

As mentioned throughout the report, the New Hope program combined four separate components, which program group members could use in different combinations or all together, depending on their needs and circumstances. Table 8.1 presents the cost of providing a single unit of each of these components and also shows the monthly expenses of program administration, case management, and benefit administration.[1] The table shows that the most expensive program component in terms of its cost per unit was the child care subsidy at $329 per month per child. This subsidy would have been especially large in families with several young children. Health care accounted for a substantial proportion of program expenses as well, with subsidies averaging $203 for households using HMO benefits and $77 for workers who had employer-

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[1] All these costs are based on an analysis of program operations during what is known as a "steady-state" period of operations. This means that start-up and wind-down issues affecting the New Hope Project are not reflected in these costs.

Table 8.1

The New Hope Project

Estimated Unit Costs of New Hope Services per Program Group Member (in 1996 dollars)

Component	Unit Cost ($)	Description of Unit
New Hope earnings supplement	126	Per month for those receiving it
Health benefits		
New Hope HMO health insurance[a]	203	Per month per covered household
New Hope contribution toward employer's health insurance	77	Per month per covered household
New Hope child care subsidy	329	Per month per covered child
Community service job (CSJ) wages[b]	4.75	Hourly minimum wage
Program administration[c]	42	Per month for those enrolled
Case management, benefit administration, development and management of CSJs	98	Per month for those enrolled

SOURCES: MDRC calculations using expenditure data from the New Hope Project accounting system and MIS client-tracking database.

NOTES: [a] Based on HMO cost of $120 per month per covered adult or child, less participant copay.

[b] The $4.75 hourly minimum wage became effective on October 1, 1996. Prior to that date it was $4.25 per hour. On September 1, 1997 it became $5.15 per hour.

[c] Enrollees include all program group members randomly assigned to the New Hope program.

provided insurance but paid an employee contribution. The earnings supplement amounted to $126 per month for those receiving it.

In addition to these subsidies and services, the program spent $140 a month for program administration and case management for every program group member. These costs covered processing benefits, developing and managing community service jobs (CSJs), and providing advice or counseling. Finally, CSJ wages were also paid out of program funds and were linked directly to the minimum wage. At the end of program year 1996, a CSJ would have cost New Hope $4.75 per hour worked, or an average of $620 for a full-time month-long CSJ.[2]

Table 8.2 presents both New Hope program costs and costs incurred by other agencies on behalf of both control group members and program group members. The unit costs presented in Table 8.1 are combined with New Hope participation data and translated into average costs per participant accumulated over the 24-month follow-up period. These figures reflect the average rate of use of each of the program benefits, as presented in Chapter 3. The table shows that providing New Hope's services for two years cost an average of $9,056 per program group member. Twenty-six percent of that amount was spent on child care, 26.0 percent on case management, and 11.1 percent on program administration.[3] CSJ wages accounted for 10.4 percent, health insurance for 16.2 percent, and the earnings supplement for 10.0 percent.

The costs incurred by programs other than New Hope are presented here because it is possible that by providing certain services as part of the program, New Hope reduced the use of similar services provided by other public agencies, resulting in a reduction of the effective cost of the program. Data on the use of services outside the New Hope program are not as detailed or as reliable as the New Hope program data.[4] In some cases, benefits for 24 months were estimated from survey reports covering a single month at the end of the two-year follow-up period. In other cases, benefits were estimated using unit cost data from studies other than the evaluation of New Hope. Most important, it is possible that significant cost items were not captured by either the survey or the administrative data collection efforts and were omitted from this table altogether.

Table 8.2 shows that New Hope appears to have reduced some public expenses on behalf of its participants, most notably in the area of public assistance benefits. This reduced the program's total net cost by 11.6 percent, to $8,112 per enrolled program group member for the two-year evaluation period. It is important to note that if New Hope had been on the same scale, it would have reduced many of these public expenditures much more substantially. For example, in 17.5 percent of all months in which New Hope provided health care coverage, the beneficiaries were also covered by Medicaid. Such overlap of services (in this case amounting to an added cost of about $182 (per program group member) would have been eliminated had New Hope been a true full-scale alternative to the existing welfare system. Also, New Hope's costs are being compared in this table with Wisconsin's old AFDC system. Under its successor, Wisconsin Works,

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[2] This is calculated by multiplying 30 (the number of hours per week), 4.35 (the number of weeks per month), and 4.75 (the minimum wage after October 1, 1996).

[3] It is important to realize that considerable staff time was spent trying to engage "inactive" program group members, who otherwise received few services or benefits.

[4] For details, see the text box at the end of the chapter.

Table 8.2

The New Hope Project

Estimated Two-Year Gross and Net Cost of New Hope per Participant (in 1996 dollars)

Component	Program Group	Control Group	Difference	Percent of Total
New Hope program costs				
New Hope earnings supplement	911	-	911	10.1
Health benefits				
New Hope HMO health insurance[a]	1,247	-	1,247	13.8
New Hope contribution toward employer's health insurance	217	-	217	2.4
New Hope child care subsidy	2,376	-	2,376	26.2
Community service job (CSJ) wages[b]	945	-	945	10.4
Program administration[c]	1,008	-	1,008	11.1
Case management, benefit administration, development and management of CSJs	2,352	-	2,352	26.0
Total gross program cost for two years	9,056	-	9,056	
Costs incurred by other programs				
Transfer programs				
AFDC	3,877	4,002	-125	
Food Stamps	2,905	2,887	17	
Supplemental Security Income	61	78	-17	
Administrative overhead on transfers	821	836	-15	
Health benefits				
Medicaid	3,710	3,768	-58	
Medicaid administrative cost	445	452	-7	
Milwaukee County child care subsidy	329	988	-659	
Child care administrative cost	39	119	-80	
Total costs of other programs	12,187	13,130	-944	
Net cost of New Hope			*8,112*	

(continued)

Table 8.2 (continued)

SOURCES: MDRC calculations using expenditure data from the New Hope Project accounting system, MIS client-tracking database, the New Hope and two-year survey; Wisconsin Department of Industry, Labor and Human Relations Unemployment Compensation Division earnings records; Wisconsin Department of Workforce Development AFDC and Food Stamp records; Milwaukee County child care data; Medicaid data from the State of Wisconsin Bureau of Health Care Financing; and administrative cost estimates from prior MDRC benefit-cost studies.

NOTES: For more detailed notes, see the text box at the end of this chapter.

[a] Based on HMO cost of $120 per month per covered adult or child, less participant copay.

[b] The $4.75 hourly minimum wage became effective on Octover 1, 1996. Prior to that date it was $4.25 per hour. On September 1, 1997 it became $5.15 per hour.

[c] Includes overhead expenditures such as rent, utilities, and depreciation.

expenditures on behalf of beneficiaries might have been higher, as much richer program services are made available to participants in Wisconsin Works.[5]

III. A Comparison of Program Costs and Benefits

A. Costs and Benefits for the Full Sample

Table 8.3 represents the next step in this analysis, summarizing the benefits and costs of New Hope from three different perspectives: participants, program funders and nonparticipant taxpayers, and society as a whole. Thus, for example, the increase in EIC benefits constitutes a $161 increase in income for participants, but a $161 loss for other taxpayers (who now need to pay more). The nonparticipant taxpayers' losses cancel out the participants' gains and the result for society is no net gain or loss, as evidenced by the empty cell in the third column (zero values are not shown in the table to improve its readability).

The first column shows that New Hope produced a substantial net benefit for participants. Measurable costs of being in the program were limited to modest reductions in non-CSJ earnings, AFDC, and SSI. In addition, program participants paid more Social Security and income taxes, but they were more than offset by higher EIC benefits. Overall, participants experienced a net gain of $1,490 in their cash income and an increase of $3,126 in health insurance and in child care benefits, which are valued at their cost to New Hope and may be higher (or lower) than the actual cash value to participants. The latter would be a more relevant value, but is very difficult to measure. Calculated this way, total net measured benefits for participants amounted to $4,616.

The second column of Table 8.3 shows the cost to program funders and nonparticipant taxpayers to provide these benefits. Nonparticipant taxpayer contributions were limited in this demonstration because the project was mostly funded by private foundations; however, if New Hope were implemented as a public program, these costs would have been borne by this group. Also, any savings in public benefits accrued to nonparticipant taxpayers, not to the original funders of New Hope. Overall, the costs to program funders and nonparticipants closely mirror the benefits to participants, increased by administrative costs and case management, which have to be funded but do not produce direct cash benefits for program participants.[6] Combining all administrative and case management costs, these expenses add a net amount of $3,258 to the estimated per-participant cost of operating New Hope, raising the total two-year net cost for nonparticipant taxpayers to $7,235 per participant.

A different way to look at this is to compare the expenses borne by nonparticipant taxpayers with the benefits accruing to participants. If one considers only cash transfers, $1,796 transferred from nonparticipant taxpayers increased participants' incomes by $1,490, or by about 83¢ for every dollar spent. Taking into account the value of CSJ work to society, here valued at

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[5] On the other hand, Wisconsin Works expenditures could have been lower since fewer households participated in W-2 and services, such as child care, were not always available as the state ran into difficulty paying providers on a timely basis during the start-up period.

[6] These administrative costs were reduced by administrative "savings" resulting from program group members using fewer public services.

Table 8.3

The New Hope Project

Estimated Two-Year Benefits of New Hope per Participant (in 1996 dollars)

	Perspective		
Component	Participants	Program Funders and Nonparticipants	Society
Cash income and Food Stamps			
Earnings, excluding CSJ	- 306		- 306
CSJ earnings[a]	+ 945	- 945	
EIC	+ 161	- 161	
Income taxes and other taxes (15 percent)	- 96	+ 96	
Earnings supplement	+ 911	- 911	
AFDC	- 125	+ 125	
Food Stamps	+ 17	- 17	
Supplemental Security Income	- 17	+ 17	
Total cash income and Food Stamps	+ 1,490	- 1,796	- 306
Value of CSJ work		+ 945	+ 945
Total cash, Food Stamps, and CSJ work	+ 1,490	- 851	+ 639
Health and child care benefits			
New Hope HMO health insurance[b]	+ 1,247	- 1,247	
New Hope contribution toward employer's health insurance	+ 217	- 217	
Medicaid	- 58	+ 58	
New Hope child care subsidy	+ 2,376	- 2,376	
Milwaukee County child care subsidy	- 659	+ 659	
Total health insurance and child care	+ 3,123	- 3,123	
Administration, overhead, and case management services			
New Hope program administration[c]		- 1,008	- 1,008
New Hope case management, benefit administration, development and management of CSJs	+	- 2,352	- 2,352
Administration of other programs[d]		+ 102	+ 102
Total administration and case management		- 3,258	- 3,258
Total net financial benefit/loss	*+ 4,613*	*- 7,232*	*- 2,619*
Other benefits and costs			
Increased work effort/self-sufficiency	+	+	+
Reduced stress/worries	+		+
Improved child outcomes	+	+	+
Improved health outcomes	+	+	+
Increased equity in society	+	+	+

(continued)

Table 8.3 (continued)

SOURCES: MDRC calculations using expenditure data from the New Hope Project accounting system, MIS client-tracking database, and two-year survey; Wisconsin Department of Industry, Labor and Human Relations Unemployment Compensation Division earnings records; Wisconsin Department of Workforce Development AFDC and Food Stamp records; Milwaukee County child care data; Medicaid data from the State of Wisconsin Bureau of Health Care Financing; Tax data from the State of Wisconsin, Department of Revenue; and administrative cost estimates from prior MDRC benefit-cost studies.

NOTES: For more detailed notes, see the textbox at the end of this chapter.

[a] The $4.75 hourly minimum wage became effective on October 1, 1996. Prior to that date it was $4.25 per hour. On September 1, 1997 it became $5.15 per hour.

[b] Based on HMO cost of $120 per month per covered adult or child, less participant copay.

[c] Includes overhead expenditures such as rent, utilities, and depreciation.

[d] Includes AFDC, Food Stamps, Supplemental Security Income, Medicaid, and Milwaukee County child care.

the minimum wage,[7] this ratio is much more positive. The net transfer cost for program funders and nonparticipant taxpayers is now $851, meaning that a dollar spent on cash transfers by nonparticipant taxpayers would increase participants' cash incomes by $1.75.

When health and child care benefits and administrative costs are included, achieving a total of $4,616 in benefits to participants requires a total investment of $7,235 by nonparticipant taxpayers. In other words, after these costs are taken into account, only 64¢ of every dollar spent by funders and nonparticipant taxpayers reaches participants. The added costs are reflected in the third column of the table, which shows an overall net loss to society of $2,619 per participant.

At this point it is important to consider the "other benefits and costs" shown in Table 8.3. These important benefits and costs were either not measured or not quantifiable. Thus, for example, we know that taxpayers, participants and nonparticipants, value work effort and increased self-sufficiency. The fact that taxpayers and politicians are willing to pay more for welfare-to-work programs than for welfare alone attests to these values. However, a simple dollar-for-dollar comparison of earnings gains and welfare reductions does not take these preferences into account. Another important program benefit, to participants if not to other taxpayers, is the reduction in their levels of stress and worry. While some of this reduction is the direct result of higher income and in-kind benefits, some of it is related to the stability and guaranteed work offered by New Hope or may reflect the help and support of New Hope staff. The cost of providing such support is easy to quantify, but the benefits are difficult to express in dollars and cents.

A number of potential long-term benefits are not captured by this report and by this benefit-cost comparison. Presumably, the increased work effort of program participants will translate into better long-term employment outcomes, even after CSJs and earnings supplements have ended. And increased health coverage may have long-term benefits for the health of participants and their families, which translate into greater personal well-being, increased productivity, and lower future health care costs for society. New Hope also improved certain important outcomes for participants' children, either by increasing their family's disposable income or by exposing them to better child care and other activities. The long-term benefits of those improvements may be hardest to quantify now, but most important in the future.

Finally, an important aspect of any program that redistributes income from taxpayers to low-income workers is that it increases equity in society. This has value above and beyond the value of the added income to the low-income workers who benefit directly. A different way of looking at this is to give different weight to a dollar gain for participants versus a dollar loss for other taxpayers. Right now, New Hope would break even financially if a dollar gained by participants would be worth $1.57 to taxpayers.

B. Costs and Benefits by Full-Time Employment Status at Random Assignment

Throughout this report, impact estimates have been presented for two different subgroups, defined by their full-time employment status at random assignment. It was found that those employed full time at random assignment (one-third of the sample) received more New Hope benefits, while those not employed full time experienced more substantial program effects on their employment outcomes. However, reductions in welfare receipt were stronger for the former group. All of this is reflected in comparisons of costs and benefits involving these two groups.

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[7] See Brock, Butler, and Long (1993) for a discussion of the benefits of unpaid work experience. In this paper, the authors argue for valuation of these benefits at the minimum wage.

Table 8.4 shows New Hope program costs and costs incurred by other programs for the two employment subgroups. (Unlike other tables in this report, this table shows the estimates for the two subgroups side by side rather than in separate panels.) In comparing figures across this table important differences emerge. As expected, New Hope program costs were substantially larger for those employed full time at random assignment than for those not so employed. (The former group had a stronger work history and could also begin receiving benefits immediately, while the latter group would first have to secure full-time employment.) New Hope spent an average of $11,000 for each program group member who was employed full time at random assignment compared with $8,148 for each control group member.

We did not distinguish expenses for program administration, case management, and management of CSJs for individual sample members, which means that the estimated expenses for those activities are the same for both employment subgroups. In reality, these costs were probably somewhat lower for those employed full time than for those not employed full time because New Hope project reps would have had to spend more time in attempting to help the latter group find full-time employment.

While New Hope program expenses were larger for those already employed full time, savings by public programs were larger for this group as well. During the two years of follow-up, local, state, and federal governments saved $2,163 on average for each of these sample members enrolled in New Hope. Corresponding savings for those not employed full time at random assignment were $483. For those employed full time, these savings were primarily accounted for by reductions in AFDC, Food Stamps, Medicaid, and child care subsidies. For those not so employed, reductions in Supplemental Security Income (SSI) and child care subsidies were most important.[8] Total net costs per program group member were $8,837 for those employed full time at random assignment and $7,665 for those not so employed.

Table 8.5 compares these costs with two-year benefits to participants by employment status. The first panel (cash income and Food Stamps) shows that New Hope produced a net loss of $1,143 for those employed full time at random assignment. Participants lost an average of $781 and funders and nonparticipant taxpayers lost $362. New Hope's earnings supplement was not large enough to make up for lower earnings and lost benefits. However, the picture was positive for those not employed full time at random assignment (two-thirds of the sample). The participants experienced an average net gain of $2,391, only partly offset by a loss of $1,011 for funders and nonparticipant taxpayers.

Taking into account health and child care benefits dramatically improves the program's benefits as seen from the perspective of participants who were employed full time at random assignment. After subtracting reductions in Medicaid use and government-funded child care subsidies, the net health care and child care benefits provided to this group amounted to an average of

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[8] It is important to note that the SSI effects presented in this chapter were derived from self-reported benefit receipt in a single month preceding the two-year follow-up interview. This means that the estimated $26 reduction in average SSI benefits for those not employed full time at random assignment is somewhat unreliable.

Table 8.4

The New Hope Project

Estimated Two-Year Gross and Net Cost of New Hope per Participant (in 1996 dollars), by Full-Time Employment Status at Random Assignment

	Employed Full Time			Not Employed Full Time		
Component	Program Group	Control Group	Difference	Program Group	Control Group	Difference
New Hope program costs						
New Hope earnings supplement	1,127	-	1,127	814	-	814
Health benefits						
New Hope HMO health insurance[a]	2,195	-	2,195	801	-	801
New Hope contribution toward employer's health insurance	377	-	377	140	-	140
New Hope child care subsidy	3,406	-	3,406	1,892	-	1,892
Community service job (CSJ) wages[b]	535	-	535	1,141	-	1,141
Program administration[c]	1,008	-	1,008	1,008	-	1,008
Case management, benefit administration, development and management of CSJs	2,352	-	2,352	2,352		2,352
Total gross program cost for two years	11,000	-	11,000	8,148		8,148
Costs incurred by other programs						
Transfer programs						
AFDC	2,077	2,578	-501	4,668	4,652	16
Food Stamps	2,131	2,473	-342	3,245	3,079	166
Supplemental Security Income	43	38	5	70	96	-26
Administrative overhead on transfers	510	611	-101	958	939	19
Health benefits						
Medicaid	2,525	2,958	-433	4,221	4,149	72
Medicaid administrative cost	303	355	-52	507	498	9
Milwaukee County child care subsidy	329	988	-659	329	988	-659
Child care administrative cost	39	119	-80	39	119	-80
Total costs of other programs	7,957	10,120	-2,163	14,037	14,520	-483
Net cost of New Hope			*8,837*			*7,665*

SOURCES: See Table 8.2.

NOTES: The estimated expenditures for subgroups is the same as for the full program group or control group when information on individual sample members was unavailable. This applies to the costs of program administration, case management, benefit administration, development and management of CSJs, and Milwaukee County child care.

See Table 8.2 for additional notes.

Table 8.5

The New Hope Project

Estimated Two-Year Benefits of New Hope per Participant (in 1996 dollars), by Full-Time Employment Status at Random Assignment

	Employed Full Time			Not Employed Full Time		
	Perspective			Perspective		
Component	Participants	Program Funders and Nonparticipants	Society	Participants	Program Funders and Nonparticipants	Society
Cash income and Food Stamps						
Earnings, excluding CSJ	- 1,678		- 1,678	+ 239		+ 239
CSJ Earnings[a]	+ 535	- 535		+ 1,141	- 1,141	
EIC	- 89	+ 89		+ 247	- 247	
Income taxes and other taxes (15 percent)	+ 171	- 171		- 207	+ 207	
Earnings supplement	+ 1,127	- 1,127		+ 814	- 814	
AFDC	- 501	+ 501		+ 15	- 15	
Food Stamps	- 341	+ 341		+ 167	- 167	
Supplemental Security Income	- 5	+ 5		- 25	+ 25	
Total cash income and Food Stamps	- 781	- 897	- 1,678	+ 2,391	- 2,152	+ 239
Value of CSJ work		+ 535	+ 535		+ 1,141	+ 1,141
Total cash, Food Stamps, and CSJ work	- 781	- 362	- 1,143	+ 2,391	- 1,011	+ 1,380
Health and child care benefits						
New Hope health benefits[b]	+ 2,572	- 2,572		+ 941	- 941	
Medicaid	- 433	+ 433		+ 73	- 73	
New Hope child care subsidy	+ 3,406	- 3,406		+ 1,892	- 1,892	
Milwaukee County child care subsidy	- 698	+ 698		- 633	+ 633	
Total health insurance and child care	+ 4,847	- 4,847		+ 2,273	- 2,273	

(continued)

Table 8.5 (continued)

	Employed Full Time			Not Employed Full Time		
	Perspective			Perspective		
Component	Participants	Program Funders and Nonparticipants	Society	Participants	Program Funders and Nonparticipants	Society
Administration, overhead, and case management services						
New Hope program administration[c]		- 1,008	- 1,008		- 1,008	- 1,008
New Hope case management, benefit administration, development and management of CSJs	+	- 2,352	- 2,352	+	- 2,352	- 2,352
Administration of other programs[d]		+ 237	+ 237		+ 48	+ 48
Total administration and case management		- 3,123	- 3,123		- 3,312	- 3,312
Total net financial benefit/loss	*+ 4,066*	*- 8,332*	*- 4,266*	*+ 4,664*	*- 6,596*	*- 1,932*
Other benefits and costs						
Increased work effort/self-sufficiency	+	+	+	+	+	+
Reduced stress/worries	+		+	+		+
Improved child outcomes	+	+	+	+	+	+
Improved health outcomes	+	+	+	+	+	+
Increased equity in society	+	+	+	+	+	+

SOURCES: See Table 8.3.

NOTES: See Table 8.3

$4,847 per sample member, or more than six times their loss in cash income and Food Stamps. In contrast, those not employed full time at random assignment received "only" an additional $2,273 in health care and child care benefits. As discussed in earlier chapters, these patterns are so different because the former group had easier access to New Hope's benefits owing to their full-time employment status, and the latter group had more alternatives, in the form of Medicaid and child care subsidies provided by the welfare department, limiting the net contribution by New Hope (relative to the control group).

Consequently, when cash benefits and in-kind benefits are combined, the two employment subgroups received remarkably similar benefits from New Hope. Those employed full time at random assignment received $4,066 in benefits compared with $4,664 for those not employed full time at random assignment. However, these benefits accrued at substantially higher costs to society for those already employed full time. Because none of their benefits were the direct result of their working more, funders and nonparticipant taxpayers paid for all of them, including administrative overhead. The total cost to funders and nonparticipant taxpayers was $8,332, or $2 for every dollar of benefits received by participants employed full time at random assignment. This unbalance was much less pronounced for those not employed full time at random assignment; for them, $4,664 in program benefits cost $6,596 to procure, which is equivalent to an outlay of $1.41 for every dollar of benefits received by participants.

Needless to say, like the full sample estimates presented above, these subgroup estimates also do not account for many, possibly important, program benefits. Those employed full time at random assignment had more manageable working lives and better parenting outcomes, and they were less dependent on AFDC or Food Stamps, all of which are considered positive effects that are not explicitly valued here. For those not employed full time at random assignment there may be long-term earnings gains, which also are not captured in this two-year comparison of costs and benefits. However, it seems clear that a program like New Hope is most cost effective if it increases work effort in addition to providing program benefits. Inclusion of participants who are employed full time at enrollment limits the ability of such programs to pay for themselves.

Assumptions Underlying the Benefit-Cost Estimates

Because of the short time frame covered by this report, a comprehensive benefit-cost analysis is somewhat premature. The full costs and benefits of New Hope will not be known until later. New Hope participants remained eligible for a third year of New Hope at the time these data were collected.

Estimating the cost of control group members' participation in other programs (and, usually, to a lesser extent, program group members' use of other programs) required making various assumptions when complete information was unavailable. Likewise, estimating subgroup costs and benefits, as well as those for the full sample, meant making additional assumptions. At the end of the five-year follow-up period, a full benefit-cost analysis will be presented. The more tentative two-year estimates are based on the following data sources and assumptions:

Two-year data sources: New Hope costs for running the program and providing benefits and services calculated using expenditure data from the New Hope Project accounting system for the period between January 1996 and June 1997. During this 18-month period, called the steady-state period, all 678 program group members were enrolled in New Hope. During this period there were no expenditures for recruitment or orientation. Non-program-related expenditures (for example, the cost of the evaluation study) were excluded. Most two-year program costs were obtained by multiplying the average monthly cost (during the 18-month period) by 24.

Other two-year cost and benefit data are from Wisconsin state and county administrative records and the New Hope two-year survey.

Assumptions: The estimation of two-year benefit amounts and the two-year costs of other programs used by control group members (and some program group members) are based on the *24 relative-month* period, which covers each sample member's initial 24 months after random assignment to the study. This means that steady-state costs are matched with benefits and program participation during a different time frame.

A 12 percent administrative cost was applied to each of the following programs: AFDC, Food Stamps, Supplemental Security Income, Medicaid, and Milwaukee County Child Care. The rate was chosen after reviewing administrative cost rates in prior MDRC benefit-cost studies of programs with somewhat similar characteristics.

Nonmonetary costs (for example, increased time pressure) and benefits (for example, reduced worries) are not quantified and therefore are not included in the bottom line benefit-cost comparison.

(continued)

(continued)

The benefit-cost study includes most monetary data sources but some quantifiable benefits and costs are missing; for example, the cost of housing subsidies was not available.

Most New Hope subgroup cost estimates were calculated using Table 3.2 participation data. However, for the New Hope program administration, case management, benefit administration, and development and management of CSJs costs, the lack of information on the treatment of individual sample members means that the estimated expenditures are the same for subgroups as for the full program group.

For subgroups, the estimation of CSJ wage costs are based on the percentage who ever used a CSJ for each subgroup. However, it was assumed that the average 24-month CSJ wages per CSJ participant are the same for members of both subgroups.

In estimating costs of New Hope health benefits — for the full program group and/or within subgroups — it was assumed that recipients of either type of benefits (New Hope HMO benefit or New Hope contribution to employer insurance) used that type of health benefit for the same average number of months.

Milwaukee child care costs for program and control group members are based on six months of actual participation data (January through June 1996) and then extrapolated to 24 months. For subgroups, the cost per program group member and the cost per control group member were assumed to be the same as the full sample cost since subgroup participation rates were not available.

Supplemental Security Income (SSI) estimates are based on two-year survey respondents' reports of the prior month's receipt of this benefit.

For subgroups, the New Hope program administration cost and case management cost per program group member are assumed to be the same as the full program group cost. Even though there was a lack of information on subgroup per person costs, assuming the same cost makes sense for program administration because staff training, computer systems, and so on, are expenditures on behalf of all participants regardless of subgroup status.

Lastly, for both subgroups, child care users are assumed to have the same average number of children.

Appendix A

Local, State, and National Donors for the Pilot and Full Programs (as of June 1999)

Appendix Table A.1

The New Hope Project

Local, State, and National Donors for the Pilot and Full Programs (as of June 1999)

Amount and Donor
$1,000,000 and over
Helen Bader Foundation
John D. and Catherine T. MacArthur Foundation
Mott Foundation
Rockefeller Foundation
State of Wisconsin
U.S. Department of Health and Human Services
$250,000 to $999,999
Ameritech / Wisconsin Bell
Annie E. Casey Foundation
Ford Foundation
William T. Grant Foundation
Northwestern Mutual Life
Wisconsin Energy Corporation
$100,000 to $249,999
Firstar
Fortis (Time) Insurance
Johnson Controls
Joyce Foundation
Marshall and Ilsley
Faye McBeath Foundation
Milwaukee Foundation
National Institute of Child Health and Human Development
WICOR
$50,000 to $99,999
ANR Pipeline
A.O. Smith
Banc One
City of Milwaukee
Harley Davidson
Mortgage Guaranty Insurance Corporation
Pollybill Foundation
$25,000 to $49,999
Bucyrus-Erie
Robert W. Baird and Company
Journal Communications
Marcus Corporation
Marquette Electronics
Steigleder Foundation
United Wisconsin Service
Universal Foods
University of Michigan
$5,000 to $24,999
American Express
Andersen Consulting
Arthur Andersen LLP
Birnschein Foundation
Emory Clark Foundation
Patrick and Ann Cudahy Foundation
Dairyland Charitable Trust
Harnischfeger Industries
Helfaer Foundation
Kohl's Corporation
Masterlock
Judy and David Meissner
Midwest Express
North Shore Bank
Norwest Bank
Pick Charitable Trust
Warner Cable Communications
Weyenburg Trust
under $5,000
35 - 40 donors

SOURCE: New Hope Project.

Appendix B

Comparison of the New Hope Project and Wisconsin Works

Appendix Table B.1

The New Hope Project

Comparison of the New Hope Project and Wisconsin Works

Goal and Provision	New Hope Project	Wisconsin Works (W-2)
Implementation date	August 1994 (full demonstration)	September 1997
Eligibility[a]	Household income at or below 150 percent of the federal poverty line, and: - resident of target area in Milwaukee - willing and able to work at least 30 hours per week - age 18 or over	Household income at or below 115 percent of the federal poverty line, and: - resident of State of Wisconsin for at least 60 consecutive days prior to applying for W-2 - cannot have refused a job in the preceding 180 days - custodial parents with children age 18 or under[b] - asset limitation (up to $2,500 excluding vehicles worth up to $10,000 and one home in which householders reside)
Job search assistance	Individualized assistance in finding unsubsidized employment	Individualized assistance in finding unsubsidized employment Employability Plan developed by case manager and participant
Type of job placement[c]		
Trial job (subsidized employment)	Not a component of New Hope	Jobs for persons unable to obtain unsubsidized employment; expected to result in a permanent position; total of 24 months; jobs pay at least minimum wage; participants required to work up to 40 hours per week; up to $300 subsidy to employer; each placement limited to maximum of 3 months with the possibility of a 3-month extention
Community service job (CSJ)	Jobs in nonprofit agencies for participants who have not found a job after 8 weeks of job search; limited to 6 months; up to two 6-month terms allowed (total of 12 months); jobs pay minimum wage; participants expected to conduct a 3-week job search before qualifying for a second CSJ placement; CSJs may be used to supplement regular employment to obtain enough work hours to qualify for other New Hope benefits	Jobs in nonprofit and for-profit agencies to assist persons in moving to unsubsidized employment or a trial job; limited to 24 months; individuals are required to work up to 30 hours per week and to participate in education and training for up to an additional 10 hours per week; CSJ placements may be up to 6 months each with some exceptions; payment is $673 per month with a reduction of $5.15 per hour for failing to participate in required activities
Transitional placement	Not a component of New Hope	Available for persons incapacitated or unable to perform a CSJ; limited to 24 months; individuals are required to work up to 28 hours per week and to participate in education and training for up to an additional 12 hours per week; payment is $628 per month with a reduction of $5.15 per hour for failing to participate in required activities

(continued)

Appendix Table B.1 (continued)

Goal and Provision	New Hope Project	Wisconsin Works (W-2)
Earnings supplement	Project provides participants with an earnings supplement check to ensure that their household income is above the federal poverty line (for families with up to 4 dependents); participants must work at least 30 hours per week to qualify	Not a component of W-2
Health insurance	Participant must work at least 30 hours per week; project pays for a portion of the cost on a sliding scale basis for coverage in an HMO; participants are responsible for a portion of the payment based on income	Medical assistance eligibility is separate from W-2 eligibility; participants and nonparticipants may apply for medical assistance
Child care	Participant must work at least 30 hours per week; project pays for a portion of the cost on a sliding scale basis for care at a child care center or individual provider; participants are responsible for a portion of the payment based on income and household size	Subsidies available to persons with a gross income at or below 165 percent of the federal poverty level; individual pays for a portion of the payment based on income and household size; cost varies by type of care
State and federal Earned Income Credit	All working participants are eligible, including CSJ participants	Individuals working in unsubsidized employment and trial jobs are eligible; individuals working in CSJs and transitional placements are not eligible
Family size adjustment	Earnings supplement is adjusted according to family size, up to 2 earners and 4 children	Wages are not adjusted according to family size
Education and training	No education and training provided; participants in CSJs who work at least 30 hours per week may be paid minimum wage for up to 10 additional hours per week in education or training; child care assistance is provided	Focus is on short-term, employment-focused education and training; the Employment Skills Advancement Program provides a grant of up to $500 that the participant and a third party must match; funds for child care will be provided for up to 2 years in order to participate in education training if the individual has demonstrated a consistent commitment to work
Loan assistance	Loan program (up to $100) for people who are looking for work to help with expenses related to obtaining or keeping a job; generally repaid through a deduction from the earnings supplement	Individuals may be offered job access loans to help obtain or keep a job; must be repaid in cash and/or by doing volunteer work in the community at minimum wage; repayment period begins upon receipt and lasts 12 months but can be extended up to a maximum of 24 months; the maximum credit line is $1,600
Transportation assistance	Not a component of New Hope	W-2 agencies and Job Center partners will work with job seekers and employers to facilitate access to transportation, ensure timely and accurate reimbursement for transportation costs, or provide transportation assistance
Time limit	Three-year offer through the demonstration[d]	Five years over a person's lifetime

(continued)

Appendix Table B.1 (continued)

SOURCES: Wisconsin State Legislature, 1995; Wisconsin Department of Workforce Development, May 12, 1997, October 15, 1997, and March 5, 1999; New Hope Project.

NOTES: [a] Participants are also required to cooperate with child support enforcement efforts to be eligible for W-2 services.

[b] Noncustodial parents with court orders for child support and pregnant women are eligible for counseling services.

[c] A custodial parent of an infant 12 weeks old or under and who meets eligibility requirements for W-2 work training placement may receive a monthly payment of $673 as of the day the child is born or W-2 begin date (whichever is later) and will not be required to participate in an employment position.

[d] The 3-year time limit on the New Hope offer is due to funding constraints. Time limits were not originally intended as part of the model.

Appendix C

Data Sources

Appendix C

Data Sources

This appendix documents the data sources used to describe the two-year impacts of the New Hope program. Table C.1 lists the samples for whom data were collected.

- **Field Research.** MDRC staff observed New Hope program operations and interviewed participants, project representatives, and program managers. Information was collected about a range of issues, such as program history, staff responsibilities, and participant transition during the last year of the program. Materials gathered from these visits were used throughout the report, but particularly in Chapter 2 and Appendix M.

- **Baseline Data.** Baseline characteristics were collected for all program and control group members using the Background Information Form (BIF) and the Private Opinion Survey (POS). The BIF was the primary source of data on baseline characteristics. In addition, the POS, which was voluntary, elicited applicants' attitudes and opinions on their work experience and related obstacles and aids to obtaining or retaining employment. Both the BIF and POS were completed prior to random assignment. These data were used in Chapter 3 and Appendix L.

- **New Hope Management Information System (MIS) Data.** The MIS database contains information on baseline characteristics for the full sample and tracks all program group members. It provides data on the use of New Hope financial benefits and community service jobs (CSJs) for all participants in New Hope. For this report, 24 months of follow-up data are available for all program group members. New Hope participation data were used in Chapter 3.

- **Administrative Records.** AFDC and Food Stamp payment data (January 1995-December 1997) were obtained from the State of Wisconsin for eligible New Hope sample members and their spouses (spouse or partner declared at the time of random assignment). The Wisconsin Bureau of Health Care Financing provided Medicaid payment data for the New Hope sample, which consisted of monthly records showing Medicaid eligibility for the period between October 1994 and March 1997. Almost all Medicaid-eligible cases in Milwaukee belong to HMOs for which the state pays a standard annual fee. Unemployment insurance (UI) wage data were also obtained from the State of Wisconsin for the period between January 1994 and December 1997 for New Hope sample members and their spouses. These data were used in Chapters 4, 5, and 8.

- **Tax Records.** Data from these records were obtained from the State of Wisconsin for the purpose of estimating Earned Income Credit (EIC) benefits. See Appendix H for details. These data were used in Chapters 4, 5, and 8.

Appendix Table C.1

The New Hope Project

Data Sources and Samples

Data Source	Sample	Number of Sample Members		Random Assignment Dates	Period Covered by Data
Baseline data					
Background Information Forms (BIFs)	All program and control group members[a]	Research sample		August 1994-December 1995	Data reported as of random assignment date
		Total	1,357		
		Program group	678		
		Control group	679		
Private Opinion Survey (POS)	Program and control group members[b]	Research sample		August 1994-December 1995	Data reported as of random assignment date
		Total	1,079		
		Program group	542		
		Control group	537		
New Hope MIS data					
New Hope client-tracking database	All program group members	Program group	678	August 1994-December 1995	Twenty-four months following random assignment
Administrative records[c]	All program and control group members	Research sample		August 1994-December 1995	Twenty-four months following random assignment
		Total	1,357		
		Program group	678		
		Control group	679		
Tax records					
Earned income credit (EIC) amounts	Aggregate data for full sample of 1,357 subdivided into 39 program group subsamples and 40 control group subsamples. Each subsample ranged in size from 15 to 92.	Research sample		August 1994-December 1995	Tax years 1995 and 1996
		Total	1,357		
		Program group	678		
		Control group	679		
Two-year survey					
Full sample	Program and control group members	Sample fielded		August 1994-December 1995	Twenty-four months following random assignment
		Total	1,357		
		Program group	678		
		Control group	679		
		Respondents			
		Total	1,086		
		Program group	553		
		Control group	533		

(continued)

Appendix Table C.1 (continued)

Data Source	Sample	Number of Sample Members		Random Assignment Dates	Period Covered by Data
Two-year survey Child and Family Study (CFS)[d]	Program and control group members who had at least one child age 1 to 10 (12 to 131 months) at random assignment	Sample fielded		August 1994-December 1995	Twenty-four months following random assignment
		Total	745		
		Program group	366		
		Control group	379		
		Respondents			
		Total	591		
		Program group	289		
		Control group	302		
		Parent interviews			
		Total	576		
		Program group	282		
		Control group	294		
		Focal child interviews			
		Total	517		
		Program group	261		
		Control group	256		
Teacher survey	CFS program and control group members who completed the New Hope two-year survey parent interview and who have school-aged children[e]	Total sample fielded	666	August 1994-December 1995	Not applicable
		Total respondents	424		
New Hope Neighborhood Survey	Random sample of dwelling units in Northside and Southside neighborhoods	Sample fielded		Not applicable	Not applicable
		Total	900		
		Northside	500		
		Southside	400		
		Respondents			
		Total	719		
		Northside	380		
		Southside	339		

(continued)

Appendix Table C.1 (continued)

NOTES: [a] Five of the 1,362 randomly assigned sample members were subsequently dropped from the analysis because of missing Background Information Forms (BIFs).

[b] Completion of the POS was voluntary. POS responders were 79 percent of the total research sample.

[c] Includes AFDC, Food Stamps, Medicaid, and Unemployment Insurance (UI) data.

[d] The sample includes all New Hope sample members (except Asian and Pacific Islanders) whose households included at least one child in the age range of 1 to 10 years (12 to 131 months) at the time of random assignment. Parent and child interviews were also conducted with sample members who completed the interview on core economic impacts and had children between the ages of 3 and 12 at the two-year follow-up, and focal children between the ages of 6 and 12 at the two-year follow-up.

[e] Four of the 424 survey respondents were dropped from the analysis because of missing or unusable data.

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- **Two-Year Survey: Core Economic Impacts.** All New Hope sample members who were randomly assigned to either the program or control group were eligible for the two-year survey. The purpose of this survey was to provide information for assessing the impacts of New Hope in such areas as employment, earnings, benefits, household income, economic well-being, health insurance coverage, and child care arrangements. The survey interviews took place between December 1996 and January 1998 and could be administered either by telephone or in person. These data were used in Chapters 3, 4, and 5. (Appendix F describes the survey methodology in detail and response rates and nonresponse bias issues.)

- **Two-Year Survey: Child and Family Impacts.** A subset of New Hope sample members were also eligible for the Child and Family Study (CFS). The CFS sample is defined as those members of the full sample who had at least one child between ages 1 and 10 (12 to 131 months) at random assignment. All racial and ethnic groups are represented in the CFS subgroup except for Asians and Pacific Islanders (largely recent Hmong immigrants), who were excluded owing to concerns about the cultural appropriateness of the measures used to assess child and family outcomes. The parent and child interviews for the CFS were usually conducted at the same time as the interview about core economic outcomes. Mostly in-person interviews were conducted with sample members who had children between ages 3 and 12 at the two-year follow-up. The parent interviews concerned parenting, time use, parent's psychosocial well-being, and information on up to two focal children between ages 3 and 12 at the two-year follow-up. In addition, up to two focal children between ages 6 and 12 at the two-year follow-up were themselves interviewed about their activities, feelings, social behavior, and aspirations. The child and family data were used in Chapters 5, 6, and 7. (Appendix F, concerning the survey methodology, also describes this component of the survey and response patterns.)

- **Teacher Survey.** New Hope sample members who completed the module of the two-year survey about child and family impacts — the "parent interview" — and who had school-age children (5 to 12) at the two-year follow-up were asked for permission to obtain information from their children's teacher. Teachers were not told about the New Hope program. The purpose of the questionnaire was to obtain additional information about the school progress and social behavior of a subset of CFS children. Questionnaires were mailed in three waves: in early May 1997, mid October 1997, and mid May 1998. Data from the teacher survey were used in Chapters 6 and 7 and Appendix L. (See Appendix D for details on the teacher survey methodology.)

- **Neighborhood Survey.** From December 1995 to June 1996, an in-person survey was conducted in the Northside and Southside neighborhoods from which New Hope candidates were recruited. The purpose of this survey was to determine the characteristics of households residing in the target neighborhoods, what proportion of neighborhood residents were potentially eligible for New

Hope, and whether residents had heard about the program and factors associated with applying to the program. These data were used in Chapter 2.

- **Cost Data for the New Hope Program.** Monthly expenditure data were obtained from the New Hope accounting system for the period between January 1996 and June 1997 (a steady-state period when all 681 program group members were eligible for services).
- **Program Documents and Published Materials.** Labor market information was compiled using a variety of sources. Data on job openings in the Milwaukee SMSA were obtained from reports published by the Employment and Training Institute (ETI) of the University of Wisconsin–Milwaukee. ETI also provided special runs of their survey data files. The U.S. Bureau of Labor Statistics and the Wisconsin Department of Workforce Development provided statistics on unemployment rates. Calculations on the amount of time needed to travel to jobs by bus were made using data provided by the Milwaukee County Transit System Transit Guide for 1995. These data were used in Chapter 2.

Data on the human service providers available in Milwaukee County were compiled using three resource directories: Helpline Information and Referral Directory, Lincoln Park Community Service Support Directory (1995–1996), and the Milwaukee Public Library T.A.P. Into Tutoring Guide (1995). New Hope staff reviewed the information. Information on the major public assistance programs available to Milwaukee residents during 1994 through 1997 was obtained from the Wisconsin Department of Workforce Development, the Milwaukee Department of City Development, the Milwaukee County Department of Health and Human Services, and the Wisconsin Department of Revenue. These data were used in Chapter 2.

Various New Hope program documents were used throughout the report, but particularly in Chapters 2 and 3 and Appendix M. These include "community outreach logs," which document recruitment efforts, the New Hope program procedures manual, and participant transition reports.

Several family vignettes, drawn from an ongoing ethnographic study of the impact of New Hope, were presented in various chapters of the report. Included in the ethnographic study is a subset of New Hope program and control group families drawn at random from the Child and Family Study. The ethnographic work focuses on possible differences in the organization of family activities and the family daily routine due to New Hope participation. It includes interviews with parents about their life circumstances and their views of New Hope and other services, participant observation of family life, and participant observation of children of participating families. See Appendix J for more details.

Appendix D

Procedures for the Teacher Survey

Appendix D

Procedures for the Teacher Survey

At the end of the parent interview, parents of school-age children (including those in kindergarten) were asked for permission to obtain information from their teacher. Reports from 462 parents indicated that 666 children were aged 5 or over and were attending school. Permission to contact teachers was granted for 566 of these children. Parents provided the name of the teacher and the name and address of the school.

Because parent interviews were spread over the period from February 1997 through January 1998, questionnaires were collected in three waves: May 1997, October 1997, and May 1998. The cover letter to teachers indicated that the children were participating in a study of children and families and that the parents had granted permission to obtain information from their teachers (a copy of the signed permission was included). Nothing about New Hope, welfare, or antipoverty programs was mentioned. Teachers were asked to respond, using their records if possible. A $10 gift certificate for a popular school supplies store in Milwaukee was included with the letter.

Of the 566 children for whom we had received parental consent, 547 were eligible for the teacher survey. Completed questionnaires were received for 424 of these children, an overall response rate of 75 percent of children with consent and 64 percent of the total sample of school-age children. For the final analyses, 420 children had usable information from the teacher survey.

Appendix E

Comparison of Research Groups

Appendix E

Comparison of Research Groups

This appendix assesses the effectiveness of the experimental design of the New Hope evaluation. As discussed in Chapter 1, random assignment was incorporated into the research design of the evaluation to create program and control groups that are balanced on all baseline characteristics, measured and unmeasured, that may affect relevant outcome measures. As a result, any differences between the two groups that are found after random assignment can be attributed to the program.

A systematic comparison of baseline characteristics can be used to verify that random assignment indeed succeeded in creating two balanced research groups. Table E.1 compares selected baseline characteristics for experimentals and controls. Statistical tests were performed to evaluate the statistical significance of experimental-control group differences on the various baseline measures. As expected, differences were generally small, although some were statistically significant. For example, a somewhat higher percentage of program group members were ever employed (95.9 versus 93.5 percent) and program group members were more likely to work full time at baseline (77.3 versus 75.3 percent). Also, a lower percentage of program group members reported ever being arrested since their 16th birthday (21.1 percent versus 26.0 percent).

It is difficult to assess the overall effectiveness of random assignment from a broad set of bivariate comparisons such as featured in Table E.1 because the large number of t-tests is likely to generate differences that are "statistically significant" by chance. Also, the baseline characteristics that underlie the statistical tests may not be entirely independent of one another. As a result, one significant difference in the table may generate another.

To address these problems, a multivariate analysis was used to measure the differences between research groups in one statistical procedure. This procedure tests the hypothesis that experimentals and controls are drawn from the same population by attempting to discriminate between the two groups using baseline characteristics. The actual test is a joint F-test for the significance of a set of coefficients in the following regression equation:

$$STATUS = \beta_0 + \sum_x \beta_x X_x + \varepsilon$$

where *STATUS* is the experimental dummy, α is an intercept, X_x is a set of baseline characteristics, and ε is an error term. Table E.2 shows the results of an estimation of this equation, using ordinary least squares. In this equation the X_x vector was represented by the same baseline characteristics that were used as covariates in the impact regressions done for this report. The F-test at the bottom of the table shows that the R^2 is not significantly different from zero, implying that there is no systematic relationship between the sample characteristics at baseline and the experimental assignment variable. This finding, in turn, suggests that random assignment was effective.

Appendix Table E.1

The New Hope Project

Selected Characteristics, Opinions, and Employment History of the New Hope Full Sample at Random Assignment, by Research Status

		Research Status		
Sample and Characteristic by Measure	Full Sample	Program Group	Control Group	P-Value[a]
Selected Characteristics from Background Information Form				
Demographic characteristic				
Gender (%)				0.843
Female	71.6	71.4	71.9	
Male	28.4	28.6	28.1	
Age (%)				0.648
18-19	6.3	6.1	6.5	
20-24	22.3	22.3	22.2	
25-34	39.1	38.6	39.6	
35-44	24.5	24.5	24.5	
45-54	5.5	5.5	5.6	
55 or over	2.4	3.1	1.6	
Average age	31.8	31.9	31.6	0.563
Race/ethnicity (%)				0.775
African-American, non-Hispanic	51.4	51.8	51.0	
Hispanic	26.5	25.8	27.1	
White, non-Hispanic	13.0	12.8	13.1	
Asian/Pacific Islander	5.8	5.6	6.0	
Native American/Alaskan Native	3.4	4.0	2.8	
Resides in neighborhood (%)				0.568
Northside	51.0	51.8	50.2	
Southside	49.0	48.2	49.8	
Household status				
Shares household with[b] (%)				
Spouse	11.9	12.0	11.8	0.925
Girlfriend/boyfriend	7.1	7.7	6.6	0.456
Children (own or partner's)	70.3	69.3	71.3	0.430
Others	24.0	22.9	25.1	0.356
Lives alone (%)	11.8	12.8	10.8	0.235
Marital status (%)				0.998
Never married	59.8	59.4	60.2	
Married, living with spouse	12.2	12.5	11.9	
Married, living apart	9.6	9.4	9.7	
Separated, divorced, or widowed	18.3	18.6	18.1	
Number of children in household[c] (%)				0.657
None	29.0	29.7	28.3	
1	20.3	19.6	21.1	
2	19.2	20.2	18.3	
3 or more	31.5	30.5	32.4	
Among households with children,				
Age of youngest child[d] (%)				0.648
2 or under	46.4	44.9	47.8	
3-5	24.0	24.5	23.4	
6 or over	29.7	30.6	28.8	

(continued)

Appendix Table E.1 (continued)

		Research Status		
Sample and Characteristic by Measure	Full Sample	Program Group	Control Group	P-Value[a]
For CFS households, age of child[c] (%)				0.422
1-3 (12-47 months)	59.0	57.1	60.7	
4-10 (48-131 months)	72.0	74.1	69.9	
Household has second potential wage earner (%)	12.8	13.1	12.5	0.737
Labor force status				
Ever employed (%)	94.7	95.9	93.5	0.053 *
Ever employed full time (%)	84.9	85.7	84.1	0.417
For longest full-time job, among those ever employed full time				
Average length of job (months)	37.2	38.5	36.0	0.317
Benefits provided (%)				
Paid vacation	50.5	50.9	50.1	0.793
Paid sick leave	38.1	39.7	36.6	0.286
Medical coverage (individual)	29.7	29.1	30.3	0.667
Medical coverage (family)	27.6	27.4	27.9	0.870
Coverage by a union	13.6	14.3	13.0	0.504
Pension/retirement	20.1	21.6	18.6	0.206
Child care	1.5	1.2	1.8	0.444
Tuition reimbursement	7.7	8.5	7.0	0.359
Approximate earnings in past 12 months (%)				0.414
None	31.2	30.2	32.1	
$1-999	15.8	17.4	14.1	
$1,000-4,999	25.2	24.2	26.2	
$5,000-9,999	16.7	16.1	17.4	
$10,000-14,999	7.8	8.3	7.4	
$15,000 or above	3.3	3.8	2.8	
Current employment status (%)				0.953
Employed	37.5	37.9	37.1	
Not employed	55.1	54.7	55.5	
Missing	7.4	7.4	7.4	
Among those currently employed,				
Average hourly wage ($)	6.36	6.29	6.43	0.355
Average hours worked per week (%)				0.015 **
1-29	23.7	22.7	24.7	
30 or more	76.3	77.3	75.3	
Public assistance status				
Currently receiving AFDC, General Assistance, Food Stamps, or Medicaid (%)				
Any type	62.9	61.1	64.7	0.171
AFDC	46.0	44.3	47.7	0.200
General Assistance	5.4	5.2	5.6	0.723
Food Stamps	57.5	56.1	58.9	0.286
Medicaid	51.6	49.4	53.8	0.109
Received assistance (AFDC, FS, GA, or Medicaid) in past 12 months (%)	70.6	68.9	72.3	0.170

(continued)

Appendix Table E.1 (continued)

		Research Status		
Sample and Characteristic by Measure	Full Sample	Program Group	Control Group	P-Value[a]
Total prior AFDC/GA cash assistance[f] (%)				0.855
None	25.1	25.0	25.3	
Less than 2 years	29.5	30.5	28.5	
2 years or more but less than 5 years	19.7	20.0	19.4	
5 years or more	25.7	24.6	26.9	
Resided as a child in a household receiving AFDC (%)	36.5	35.5	37.5	0.400
Educational status				
Received high school diploma or GED[g] (%)	57.3	58.1	56.5	0.900
Highest grade completed in school (average)	10.8	10.8	10.8	0.845
Currently enrolled in any type of education or training (%)	31.9	30.2	33.6	0.187
Other factors related to obtaining/retaining employment				
Have access to a car (%)	41.5	41.0	42.0	0.724
Ever arrested for anything since 16th birthday (%)	23.5	21.1	26.0	0.035 **
Housing status (%)				0.877
Rent	87.7	87.3	88.2	
Own	5.2	5.5	5.0	
Other	7.0	7.3	6.8	
Number of moves in past 2 years (%)				0.402
None	30.3	31.1	29.5	
1	30.0	30.8	29.2	
2 or more	35.2	33.0	37.3	
Missing	4.6	5.0	4.1	
Sample size	*1357*	*678*	*679*	
Opinions and Employment History from Private Opinion Survey				
Client-reported employment history				
Number of full-time jobs (30 hours or more a week) held in the past 5 years (%)				0.221
None	19.3	20.2	18.4	
1	31.0	31.3	30.7	
2 or 3	36.2	33.8	38.6	
4 or more	13.5	14.7	12.3	
When unemployed, length of time it took to find new work (%)				0.850
1 month or less	32.0	31.9	32.1	
2-6 months	38.5	38.9	38.2	
More than 6 months	12.5	12.9	12.2	
Don't know	16.9	16.3	17.5	
Client-reported difficulties while working				
Among those ever employed, those who said that they sometimes or often had these problems when they worked: (%)				
Client felt the boss or supervisor picked on or acted unfairly toward client	25.9	25.9	25.8	0.956
Family responsibilities interfered with the job and this got client into trouble	24.4	25.0	23.9	0.693

(continued)

Appendix Table E.1 (continued)

Sample and Characteristic by Measure	Full Sample	Research Status Program Group	 Control Group	P-Value[a]
There was too little help on the job to tell what to do and what not to do and this got client into trouble	9.7	10.2	9.2	0.607
Client got into trouble even when client was only a little late	10.2	9.6	10.7	0.570
Client and the other workers argued and this got client into trouble	2.8	2.7	3.0	0.837
Client did not like the way bosses or supervisors were ordering client around	13.9	12.0	15.9	0.082 *
Client did not want to do work that other people should have been doing and this got client into trouble	6.2	6.5	5.9	0.718
Client could never satisfy some customers and this got client into trouble	2.8	2.7	2.8	0.983
Alcohol or drug use caused problems on client's job	4.6	4.2	5.1	0.528
Client got into trouble but never really understood the reasons why	4.4	4.2	4.6	0.737
Client-reported situations that affect employment				
Those who reported health problems that limit the type of work they can do (%)	14.3	14.5	14.2	0.881
Those who have: (%)				
Ever been evicted from an apartment or house over the last 10 years	17.5	16.8	18.2	0.567
Ever been homeless	21.5	22.9	20.0	0.246
Ever quit a job	60.0	59.8	60.2	0.893
Client-reported education and training preferences				
Those who agreed a lot that they wanted to: (%)				
Go to school part time to study basic reading and math	33.1	32.1	34.1	0.267
Go to school part time to get a GED	34.4	31.8	37.1	0.229
Get on-the-job training for 1-3 months in a type of work that they have not tried before	59.0	56.3	61.6	0.209
Get on-the-job training so that they would know what it is like to work	51.9	47.9	55.9	0.048 **
Sample size	*1079*	*542*	*537*	

(continued)

Appendix Table E.1 (continued)

SOURCES: MDRC calculations from Background Information Forms (BIFs) for 1,357 sample members randomly assigned from August 1994 through December 1995. Five additional sample members who were missing these forms were excluded from the sample. MDRC calculations from Private Opinion Survey (POS) data for sample members randomly assigned from August 1994 through December 1995. The POS questions were voluntarily answered by 1,079 sample members (79 percent) just prior to random assignment.

NOTES: Except for two BIF items, the nonresponse rate for all specific characteristics was less than 1 percent and therefore these missings were excluded from the calculations. For the two characteristics, for which the nonresponse rate ranged from 5 to 7 percent for the full sample, the nonresponses are shown on the table as missings. Among the 1,079 POS responders, missings for individual questions ranged from 0 to 14 percent.

Distributions may not add to 100.0 percent because of rounding.

[a] A t-test or F-test was applied to each difference in characteristics between the research groups to assess whether apparent differences in these characteristics were statistically significant. When several rows in the table describe the same underlying characteristic (that is, are not independent of one another), a single test must be used. The result of this test (p-value or asterisks) is shown on the line describing the characteristic. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[b] Because some sample members may be in more than one category, totals may not equal all categories summed.

[c] Includes all dependents under age 18.

[d] Includes all dependents under age 18.

[e] Some CFS households have children in both categories.

[f] This refers to the total number of months accumulated from at least one spell on an individual's own AFDC or GA case or the case of another adult in the household.

[g] The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

Appendix Table E.2

The New Hope Project

Estimated Regression Coefficients for the Probability of Assignment to the Program Group

Variable	Parameter Estimate	Standard Error	P-Value[a]
Constant	0.529	0.078	0.001 ***
Male	-0.002	0.039	0.951
Reside on the Northside	0.017	0.043	0.694
Age			
18-24	-0.001	0.042	0.989
25-34	0.004	0.036	0.911
Race/ethnicity			
African-American, non-Hispanic	-0.008	0.048	0.870
Hispanic	-0.003	0.042	0.951
Number of children in household[b]			
None	-0.018	0.054	0.731
3 or more children in household	-0.027	0.036	0.454
Single parent with children[c]	-0.003	0.046	0.945
Among households with children,[d]			
Youngest child age 2 or under	-0.022	0.037	0.559
Ever employed full time	0.006	0.044	0.893
Currently receiving AFDC, GA, FS, or Medicaid	-0.028	0.036	0.437
Received high school diploma or GED[e]	0.010	0.030	0.743
Have access to a car	-0.017	0.031	0.582
Resided as a child in a household receiving AFDC	-0.002	0.031	0.942
Total earnings in prior year	0.000	0.000	0.116
Number of quarters employed in prior year	-0.018	0.016	0.286
Sample size	1,261		
Mean of dependent variable	0.494		
R-square	0.005		
F-statistic	0.384		
P-value of F-statistic	0.989		

(continued)

Appendix Table E.2 (continued)

SOURCES: MDRC calculations using the New Hope Background Information Form (BIF) and Wisconsin unemployment insurance (UI) records.

NOTES: The dependent variable in each regression equation was unity for each experimental and zero for each control.

The p-value of the F-statistic is the probability of obtaining these coefficient estimates if the true chance of becoming an experimental did not vary with any characteristic. Thus, the closer the p-value is to unity, the more successful was random assignment in equating average characteristics of experimentals and controls.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] A two-tailed t-test was applied to each coefficient estimate.

[b] Includes all dependents under age 18.

[c] Includes all dependents under age 18.

[d] Includes all dependents under age 18.

[e] The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

Appendix F

Methodology of the Two-Year Survey

Appendix F

Methodology of the Two-Year Survey

Overview

To measure the effectiveness of New Hope, MDRC has followed the progress of sample members since they were randomly assigned to the program and control groups. The two-year follow-up survey was a key source of data for the evaluation, examining changes in household income, material comfort or hardship, types of jobs held, and other primarily economic outcomes. In addition, the experimental design of the New Hope evaluation offered an opportunity to examine child and family outcomes to learn whether improvements in income, combined with the other features of the New Hope intervention, would have a causal impact on family functioning and children's development. Such an enhancement of the basic evaluation and two-year survey design was made possible through the MacArthur Network on Successful Pathways Through Middle Childhood, with funding from the John D. and Catherine T. MacArthur Foundation.

The resulting survey design was based on the contributions of MDRC researchers, members of the MacArthur Network, and the New Hope Project. Westat, Inc., conducted the two-year survey, following a competitive bidding process in which potential contractors submitted proposals to MDRC that were reviewed by representatives of New Hope and the MacArthur group as well as MDRC.

Basic Evaluation

The New Hope survey sample consisted of 1,357 individuals. Every primary sample member — that is, the person who was randomly assigned to either the program or the control group during New Hope sample enrollment — was eligible to be interviewed using a core economic impact questionnaire to assess basic program impacts. This interview obtained information on current employment, earnings, and benefits, as well as some longitudinal data for the follow-up period on program participation and employment-related activities. The core survey questionnaire could be administered either by telephone or in person and averaged 45 minutes in length. Forty percent of the sample, or 545 individuals, were eligible for the core economic interview only. These sample members were surveyed through a mixed-mode approach, with initial attempts by telephone and in-person interviews conducted when a telephone interview could not be completed. When the survey concluded, 94 percent of completed interviews with this group had been conducted by telephone.

Child and Family Component

The remaining 812 sample members,[1] constituting 60 percent of the sample, had at least one child between ages 3 and 12 at the two-year anniversary of sample enrollment, which made them eligible for the Child and Family Study (CFS). In these households, up to two children were selected as focal (that is, a subject of the study), and additional interviews were administered to the sample member and/or other family members. The key additional questionnaires for the CFS sample included, first, a parent interview (with the New Hope sample member if he or she was the primary caregiver, otherwise with the other parent), which lasted about 45 minutes. The parent interview elicited some information about the family's life and about the primary caregiver's general attitudes toward parenting and other aspects of life. It also included modules asking questions about up to two focal children.

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[1] Our determination that it would not be possible to do justice to the Hmong sample members in terms of rendering the Child and Family Study (CFS) constructs and translations culturally appropriate meant that Hmong sample members who would otherwise have qualified for the CFS became "core only" cases. This resulted in a CFS sample of 745 and a core only sample of 612. Further, because the core instrument was not translated into Hmong, monolingual Hmong speakers could not be interviewed and thus were effectively excluded from the survey. This (continued)

Focal children who were at least age 6 were eligible to be interviewed themselves, so there could be up to two child interviews in each family. Two child questionnaires were developed: a 30-minute questionnaire for children aged 6-8 and a questionnaire lasting up to 60 minutes for children aged 9-12. All focal children were subjects of the parent interview, whether the children were old enough to be interviewed or not.

The design provided for conducting all CFS interviews in person, including the core economic impact interview, unless the family had moved too far from Milwaukee. If there were children to be interviewed, a team of two interviewers went to the home, one interviewing the adult(s) and the other the child(ren). Otherwise a single interviewer administered the two adult instruments. Forty-seven percent of completed CFS cases involved no child interviews at all, because the focal children were under age 6. About 16 percent involved one child interview, and 37 percent involved two child interviews.

Instrument Design

Design work on these instruments began in early fall 1995. The core economic impact questionnaire drew heavily on instruments used in other MDRC studies; the CFS instruments also drew on other MDRC evaluations that have included a focus on children, as well as on existing scales and measures used in other research to examine family functioning and child outcomes. In some cases existing measures were imported or adapted for use in the New Hope study, while in other cases new measures were developed. After award of the survey contract to Westat in May 1996, researchers from MDRC and the MacArthur Network worked with Westat to refine the questionnaires and prepare them for pretesting. Three pretests were held, involving a total of almost 60 families. The first and third pretests were conducted in the Baltimore-Washington area; the second pretest was conducted in Milwaukee and included several "prepilot" New Hope participants. Pretesting provided a basis for revising the instruments, both to achieve the desired length and to hone the content and achieve measurement objectives. For the child instruments in particular, important concerns were the feasibility of administration and the meaningfulness of the measures. Pretesting also led to improvements in formatting and procedures, and it informed decisions about such operational issues as maintaining privacy during the interviews and which incentives to provide.

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resulted in a loss of 24 sample members from the two-year survey and an effective sample size of 588 for the core only group.

Survey Implementation

Interviewers for the two-year follow-up surveys were trained during December 1996. Telephone interviewing in Westat's Telephone Research Center (TRC), where interviewers could be closely monitored, began immediately after training for those sample members to be administered only the core economic impact questionnaire. In-person interviewers, who had to work more independently and also be proficient with several different questionnaires, went through a certification process before being allowed to interview actual sample members. As part of this process, interviewers were required to audiotape their initial cases, with both the tapes and their completed questionnaires undergoing careful review — not only for accuracy but also for tone, rapport, and the like. To accommodate increases in the size of the monthly enrollment cohorts and interviewer attrition, additional interviewers were trained in April 1997 and were used as needed.

Data collection took place between December 1996 and January 1998, with interviews roughly corresponding to each sample member's two-year anniversary of enrollment. Interviews could be conducted in either English or Spanish, into which all the instruments had been translated, but only 64 adults — and fewer children — were interviewed in Spanish. Hmong sample members were administered the core interview in English whenever possible, but otherwise were not included in the survey.

Before being contacted by an interviewer, sample members who had already been located received an advance letter from Westat, with a letter enclosed from the New Hope Project. In addition, interviewers were provided a standardized set of answers to questions that might be asked by respondents during their introduction to the study.

Efforts to locate many sample members involved use of databases as well as telephone and in-person tracing through contact persons named at random assignment, former neighbors, and so forth. Of those actually located and interviewed for the survey, 65 percent reported having moved at least once since random assignment — 70 percent of them once or twice and the remainder more frequently. The mobility of those who could not be located was probably even greater. Adults who had moved 50 miles or more from Milwaukee were interviewed by telephone — even if they were members of the CFS sample — and for such cases the child interviews were omitted. Interviews were also conducted on occasion with sample members in prisons, halfway houses, and shelters.

Incentives for participation were $10 for completing just the core interview and $35 dollars for full adult participation in the CFS, that is, completion of the core and parent interviews and arranging for the children to be present if necessary. Children received McDonald's coupons in sufficient quantities to treat their parents to a meal.

Survey Questionnaires

Brief descriptions of the various questionnaires used in the two-year follow-up survey follow.[2]

The Contact Questionnaire

The contact questionnaire served two purposes. Embedded within its introductory material was the straightforward script that was used by the telephone interviewers calling "core only" sample members from Westat's TRC to administer the core economic impact interview. The script began by describing the study and the rights of respondents and then moved into the interview.

The remainder of the contact questionnaire was used only for CFS cases. Identification of focal children and primary caregivers took place during this initial screening — by telephone whenever possible — during which the field interviewer also attempted to make an appointment to conduct the interviews. After describing the study and the rights of respondents, the interviewer collected information needed to select the children on whom the study would focus, determined whether they were living in the sample member's household, ascertained whether the sample member or someone else was their primary caregiver, and determined whether they were old enough to be interviewed (that is, age 6 or over). The contact questionnaire also included a script and procedures used in those infrequent cases in which focal children were no longer living in the sample member's household and a primary caregiver living elsewhere had to be contacted to arrange for an interview.

The Core Economic Impact Questionnaire

The core questionnaire comprised seven sections, or modules. The first six sections were administered to all sample members; the last section, about the New Hope Project, was administered only to those in the program group. This questionnaire required about 45 minutes to administer.

Much of the content of the core economic impact questionnaire was based on measures used in MDRC's evaluations of other interventions,[3] many of which in turn had been borrowed or adapted from such government surveys as the Current Population Survey (CPS) and the Survey of Income and Program Participation (SIPP). Measures that related specifically to the intervention received special emphasis. The questionnaire obtained retrospective data for the period since random assignment on participation in education and training programs, employment, use of child and dependent care, children's educational progress, and health insurance coverage. In addition, it obtained current information on job characteristics, household composition and income, and economic well-being and concerns.

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[2] The questionnaires described here are available upon request from MDRC.

[3] Among them were Greater Avenues for Independence (GAIN); Job Opportunities and Basic Skills Training program (JOBS); Learning, Earning, and Parenting (LEAP); New Chance; Minnesota Family Investment Program (MFIP); Project Independence; and Canadian Self-Sufficiency Project (SSP).

Child and Family Study Instruments

Parent interview. The parent questionnaire included 13 sections; not every section was administered to every respondent, however. The questionnaire included alternate versions of some sections for children in two different age groups (3-5 and 6-12), as well as sections asking about a second focal child, and took 45 minutes to administer on average. The parent questionnaire asked about the parent's time use and included scales (identified in the body of this report) measuring feelings of mastery and hope, self-esteem, depressed emotions, and stress related to the parental role. In addition, it included child-specific questions about child care; children's health and health care; discipline; the parent's relationship with the child and the stress experienced in parenting this child; cognitively stimulating materials and activities available to the child; the parent's perceptions of the child's characteristics and qualities; and the child's television watching habits, performance of chores, and involvement in recreational and educational activities. The parent interview concluded by obtaining the parent's permission to collect data from the child's school; information that would make it possible to locate the parent for a five-year follow-up survey; and interviewer observations, made after leaving the household.

Child interview for ages 9-12. This questionnaire included seven sections, tapping such areas as the child's regular activities, aspirations, social behavior, and feelings. It combined two formats: one in which the interviewer asked questions that the child answered orally and another in which the child recorded his or her answers to the interviewer's questions in an answer booklet. It required 60 minutes or less to administer.

Child interview for ages 6-8. This questionnaire was similar to the questionnaire for older children, but with the section on activities omitted and other sections shortened or simplified. For instance, fewer response categories were used with the younger children, who were not yet capable of distinguishing fine gradations. Similarly, the younger children were not asked to fill in their own answers, but instead were encouraged to point to their answer on an answer card. This interview lasted about 30 minutes.

Survey Response

As is common practice in research projects that involve survey data, we conducted analyses to assess possible effects of survey nonresponse on our findings. Because survey respondents may be different from nonrespondents in measured and unmeasured background characteristics, nonresponse may change the composition of the sample and thus the research findings. In this appendix we assess the possible effects of survey nonresponse in three ways. First, we examine whether survey response rates vary across the research groups (the New Hope program and control groups). Second, we compare the different samples used in our study (some of which were defined upfront and some of which reflect response patterns to follow-up survey components). Finally, we examine the extent to which program and control groups remain similar in composition even across samples.

Response Rates

Table F.1 shows response rates for the two-year survey and the teacher survey. It shows these rates separately for program and control group members, because differential survey nonre-

Appendix Table F.1

The New Hope Project

Survey Response Rates

Survey	Full Sample	Program Group	Control Group
Two-year survey			
Full sample	80.0	81.6	78.5
CFS sample	79.3	79.0	79.7
Any child data within CFS sample	77.9	77.9	77.8
Teacher data for children older than 5 (including parental permission)	61.8	60.6	63.1

SOURCE: MDRC calculations using data from the New Hope two-year survey and teacher survey.

NOTE: No program-control differences were statistically significant.

sponse across these randomly created research groups could have invalidated the experimental research design.[4] The table shows fairly high response rates, which are comparable, and not statistically significantly different, for program and control group members. The overall response rate for the two-year survey is 80.0 percent for the full sample (1,086 responses out of 1,357 sample members) and 79.3 percent for the Child and Family Study (CFS) sample. Of the CFS cases, 77.9 percent had any usable child data, for a total of 927 children across 580 CFS cases. Of the 579 children over age 5, teacher data were available for 358, or 61.8 percent. Most nonresponse among teachers was the result of researchers being unable to find the right teacher, not the result of nonresponse by the teachers or refusal by the parents to give permission. Many children aged 5 or under were in preschool or Head Start programs, and, where possible, their teachers were surveyed as well, resulting in a teacher survey sample of 420.

Comparison of Characteristics at Random Assignment

Table F.2 compares selected characteristics at random assignment for the different samples. A comparison of the first two columns shows that survey respondents and nonrespondents were similar in most respects, although some statistically significant differences were found (and marked with asterisks). Survey respondents were less likely to be male, more likely to be under age 25, more likely to be African-American, more likely to have worked full time, and more likely to have a high school diploma or GED.

Differences between the CFS sample and the full sample were as expected, given that CFS sample members were selected because they had children between ages 1 and 10 at the time of random assignment. Consequently, they were less likely to be male, more likely to be in their 20s or 30s, and more likely to receive public assistance. (Tests of the statistical significance of differences between the CFS sample and the full sample were not conducted.)

The unit of observation changes from the CFS sample to the child sample, making tests of statistical significance difficult and potentially misleading, resulting in their omission here. As expected, parent characteristics in the child sample generally matched parent characteristics in the CFS sample closely. However, CFS sample women were more likely than men to have more than one child. As a result, more children lived in a household with a female sample member. Similar (and related) differences are found when comparing other characteristics between CFS parents and children.

Finally, the teacher sample differs from the child sample mostly because it includes only older children. This difference also affects parental characteristics, such as the age of the parent and the age of the youngest child in the household (both are older). However, when comparing children with teacher data with all children over age 5 (not shown in the table), the only statistically significant difference is the child's age. Among school-age children, teacher survey data were more likely to be available for younger children.

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[4] All our experimental estimates are based on the assumption that program and control group members are equivalent in all measured and unmeasured characteristics, *except* for their assignment to New Hope. If survey nonresponse would affect different kinds of sample members in the two groups, this assumption would be violated for the survey sample. A significant discrepancy in response rates across the two groups would make it more likely that nonresponse affected different kinds of sample members in the groups.

Appendix Table F.2

The New Hope Project

Comparing Characteristics at Random Assignment for Samples Used in the Report

Characteristic	Full Sample	Two-Year Survey Sample	CFS Sample	Child Sample	Teacher Sample
Assigned to the program group (%)	50.0	50.9	49.1	48.7	48.2
Male (%)	28.4	26.7 ***	10.2	8.2	5.5
Child is a boy (%)	n/a	n/a	n/a	52.0	49.9
Child's age	n/a	n/a	n/a	7.2	8.3
Northside target area (%)	51.0	52.0	48.6	49.1	48.7
Age under 25 (%)	28.5	29.7 *	31.7	29.8	22.2
Age 25-34 (%)	39.1	39.1	49.0	52.9	58.5
African-American, non Hispanic (%)	51.4	52.6 *	55.0	56.1	56.8
Hispanic (%)	26.5	25.5	29.3	28.0	27.7
Household without children (%)	29.0	29.5	n/a	n/a	n/a
Household with children and one adult (%)	55.2	56.1	83.5	83.9	82.8
Household with three or more children (%)	31.5	31.2	45.9	53.9	58.5
Youngest child age 2 or younger (%)	32.9	33.9	48.3	50.2	33.4
Ever worked full-time (%)	85.9	87.0 **	83.4	84.5	87.6
Received public assistance at baseline (%)	62.9	63.6	80.7	83.4	82.6
Had high school diploma or GED (%)	57.4	58.7 **	59.5	61.2	62.5
Had access to a car (%)	41.5	42.1	44.1	44.7	47.1
In AFDC household as a child (%)	39.1	41.0	46.7	50.7	50.0
Sample size	1,357	1,086	745	927	420

SOURCE: MDRC calculations using data from the New Hope Background Information Form (BIF), the two-year survey and the teacher survey.

NOTE: Statistical tests of difference were conducted only between the full sample and the two-year survey sample, because the other three samples had different characteristics from the full sample by construction.

Comparison of Program and Control Groups in Different Samples

Appendix E formally compared program and control group members to show that the New Hope sample was indeed randomly divided into these two research groups. Table F.3 repeats this exercise for the different samples introduced above. If survey nonresponse changes the composition of the research samples, this would manifest itself in differences in the characteristics of program and control group members at random assignment. To assess whether such differences were introduced, we regressed the program variable on the characteristics at random assignment shown in Table F.2. Regression statistics are shown in Table F.3. The table also shows whether research status was a statistically significant predictor of a sample members' inclusion in a particular sample (this is another possible indicator of differential nonresponse).

From the table it appears that only in the teacher sample were research groups not fully balanced on characteristics at random assignment, possibly as a result of differential nonresponse.[5] The R^2 for assignment to the program group is a modest 0.085, but the p-value of 0.032 indicates a statistically significant relationship between the program variable and the characteristics at random assignment. This means that regression adjustment is needed to produce unbiased estimates of program effects for this sample. Specifically, within the teacher sample, the children in the experimental group were more likely to be male and were less likely to live in a household with more than two children. They were also more likely to have a surveyed parent who had a high school diploma or GED at the time of random assignment.

Concerned with this apparent unbalance in the sample, we tested two different adjustments to our impact estimates, including a reweighting of the sample by the child's gender and a statistical adjustment known as a "Heckman correction."[6] Neither of these adjustments changed the impact estimates in a meaningful way.

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[5] Teachers were not aware of the research status of the children in their classroom. In fact, they were never told about New Hope. Since there were very few refusals on the part of parents for this study component, differences in survey response are most likely related to our ability to locate the right teachers.

[6] See Heckman, 1979.

Appendix Table F.3

The New Hope Project

Consequences of Survey Nonresponse for the Balance of Program and Control Groups

Characteristic	Full Sample	Two-Year Survey Sample	CFS Sample	Child Sample	Teacher Sample
Significance of research status as a predictor of survey response (p-value)[a]	n/a	0.172	0.487	0.677	0.163
R^2 for relationship between research status and baseline characteristics	0.005	0.011	0.011	0.033	0.085
Significance of relationship between research status and baseline characteristics (p-value)	0.989	0.857	0.962	0.123	0.032
Sample size	1,357	1,086	745	927	420

SOURCE: MDRC calculations using data from the New Hope Background Information Form (BIF), the two-year survey and the teacher survey.

NOTE: [a]This test was conducted holding constant the variation in the baseline characteristics.

Appendix G

Comparison of Income Data from Different Sources

Appendix G

Comparison of Income Data from Different Sources

Income measures presented in this report are based exclusively on administrative records data available for all sample members and for the entire 24-month follow-up period. However, as discussed in Chapter 5, these income data do not cover the entire spectrum of income sources available to New Hope sample members. In fact, they are limited to earnings (covered by unemployment insurance), the federal and state Earned Income Credits (EICs), New Hope supplements, AFDC, and Food Stamps. The two-year survey collected data on these and many other income sources, but only for the month immediately preceding the interview. Survey data also covered the sample members' immediate household, while the individual income data presented in the report are limited to primary New Hope sample members. This appendix explores the extent to which the use of survey data potentially underestimates the total income available to sample members and examines whether discrepancies vary by sample members' research status.

Table G.1 presents impacts on survey measures of income, covering income for the immediate family in the month preceding the two-year interview. The upper panel shows the percentage of program and control group members who reported income from various sources, ranked by their relative importance in the sample. Thus, it appears that paid work is by far the most important source of income, constituting part of the income of 86.6 percent of all program group members and 84.5 percent of all controls. Food Stamps are the next most important source of income, which 36.0 percent of program group members and 41.0 percent of controls receive. It is the only income source for which we found a statistically significant program-control difference, albeit a very modest one.

The lower panel of Table G.1 shows the same income sources arranged by their relative importance in terms of dollars provided to sample members. A simple calculation (not shown in the table) finds that earnings, AFDC, Food Stamps, and earnings supplements account for more than 88 percent of the income reported by program group members. Thus, the administrative measures appear to capture most of the income available to this group. For controls, the corresponding figure is only marginally smaller at 85 percent.

Table G.2 repeats the two panels for some measures created from administrative data. Quarterly measures, such as the EIC and UI-covered work, were divided by three to approximate their monthly equivalent. The result is an estimated monthly income of $971 for program group members and $884 for controls, for a statistically significant difference of $87. However, a comparison of the income figures in Table G.2 with those in Table G.1 shows that the discrepancy between the two totals is much larger for the control group than for the program group. As expected, survey income is higher for both groups (it includes more income sources and extends to the immediate family), but the difference is $638 for controls and only $488 for program group members.

These differences underscore the limitations of individual-level records-based income measures. The numbers suggest that other family members were more likely to contribute earnings in control group families (not captured by the UI data). They also suggest that program group members dropped certain income sources in favor of New Hope supports. However, since these differences apply to only a single month, it is difficult to gauge whether and how the two-year income estimates presented in the report would be affected.

Appendix Table G.1

The New Hope Project

New Hope Impacts on Reported Income in the Month Preceding the Two-Year Survey

	Program Group	Control Group	Difference	% Impact	P-Value for Difference	Effect Size[a]
In month before two-year survey, reported income from: (%)						
Paid work	86.6	84.5	2.1	2.5	0.312	0.06
Food stamps	36.0	41.0	-5.0 *	-12.2	0.066	-0.10
Wage supplement	29.3	0.0	29.3	n/a	n/a	n/a
WIC	25.3	27.4	-2.1	-7.6	0.394	-0.05
AFDC	18.7	22.4	-3.6	-16.2	0.123	-0.09
Child support	12.0	12.7	-0.6	-5.1	0.740	-0.02
SSI	11.9	11.7	0.2	1.4	0.933	0.01
Social security	7.2	8.2	-1.0	-12.3	0.531	-0.04
Gifts from family/friends	5.7	4.9	0.9	17.9	0.521	0.04
Unemployment insurance	3.0	3.9	-1.0	-24.6	0.390	-0.05
Rent	2.2	1.9	0.4	19.8	0.671	0.03
Pension benefits	1.6	1.0	0.5	50.1	0.449	0.05
General assistance	0.9	0.6	0.3	59.3	0.518	0.04
Worker's compensation	0.5	1.5	-1.0	-64.2	0.117	-0.10
Foster child payments	0.4	1.1	-0.7	-65.3	0.172	-0.08
Other income source	2.1	2.0	0.1	2.9	0.945	0.00
Amount of income reported ($)						
Paid work	1,161	1,146	14	1.3	0.785	0.02
Food stamps	77	87	-11	-12.5	0.116	-0.09
AFDC	71	98	-27 **	-27.3	0.013	-0.14
SSI	61	78	-17	-21.4	0.189	-0.08
Wage supplement	37	0	37	n/a	n/a	n/a
Social security	33	39	-6	-15.0	0.487	-0.04
WIC	22	22	1	2.4	0.883	0.01
Child support	17	26	-9 **	-36.2	0.048	-0.12
Unemployment insurance	13	18	-4	-24.2	0.482	-0.04
Gifts from family/friends	10	9	1	11.7	0.764	0.02
Rent	5	4	1	20.6	0.693	0.02
Pension	5	2	3	134.7	0.203	0.08
Worker's compensation	3	8	-5	-60.0	0.253	-0.07
General assistance	2	1	1	61.3	0.560	0.04
Foster child payments	1	28	-27	-95.7	0.169	-0.08
Other sources	13	6	7	114.9	0.222	0.07
Total reported income	1,533	1,575	-41	-2.6	0.455	-0.04
Sample size	*552*	*529*				

(continued)

Appendix Table G.1 (continued)

SOURCE: MDRC calculations using two-year survey data.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

Appendix Table G.2

The New Hope Project

New Hope Impacts on Administrative Income Measures Approximated at Follow-up

	Program Group	Control Group	Difference	% Impact	P-Value for Difference	Effect Size[a]
Income from: (%)						
UI covered work (last quarter)	71.9	68.1	3.9	5.7	0.111	0.08
Food stamps	37.1	36.2	0.9	2.4	0.712	0.02
Earnings supplement	36.6	0.0	36.6	n/a	n/a	n/a
AFDC	21.8	19.3	2.5	13.0	0.219	0.06
EIC[b]	4.7	4.5	0.3	5.7	0.824	0.01
Estimated monthly amount from: ($)						
UI covered work (last quarter)	708	666	42	6.2	0.230	0.06
AFDC	92	91	1	0.7	0.949	0.00
Food stamps	92	83	10	11.8	0.180	0.07
EIC[b]	42	44	-2	-4.4	0.865	-0.01
Earnings supplement	37	0	37	n/a	n/a	n/a
Total estimated monthly income	971	884	87 **	9.8	0.021	0.12
Income reported on survey	1,533	1,575	-41	-2.6	0.455	-0.04
Difference[c]	488	638	-150 **	-23.6	0.019	-0.14
Sample size	*678*	*679*				

SOURCE: MDRC calculations using two-year survey data.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes may vary for individual measures as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] Combines federal and Wisconsin Earned Income Credits (EICs). Counted as income the first quarter of the calendar year after the benefits accrue.

[c] This difference is not a measure of the relative accuracy of one income measure versus another. Its only purpose is to assess whether the extent of variation across the different sources of income data varies across the two research groups. It is only available for the survey sample, so numbers in the table do not sum correctly.

Appendix H

Estimating Earned Income Credits

Appendix H

Estimating Earned Income Credits

Importance of EIC Impacts in the New Hope Evaluation

New Hope designed its benefit package with the assumption that New Hope households would claim and receive the federal and state tax credits. The goal was to enable New Hope households to combine earnings, New Hope benefits, and federal and state EICs to lift themselves out of poverty. Therefore, calculating the New Hope program's impacts on EIC receipt is important for measuring the extent to which the New Hope program met its goals.

Wisconsin is one of ten states that offer EICs. Nine of these states, including Wisconsin, use federal eligibility rules and make the state credit a specified percentage of the federal credit. Like the federal EIC, the Wisconsin state EIC is refundable, which means that all eligible families can receive it; that is, if the EIC amount is larger than the family's income tax bill, they get a refund check. regardless of their income tax liability. The Wisconsin EIC ranges from 4 percent of the federal EIC for one-child families to 43 percent of the federal credit for families with three children or more.

Calculating the EIC impacts for the New Hope sample was a complicated process because individual tax return data were not available. (We explored the possibility of obtaining individual-level data, but found that we could do so only with individuals' consent, which would have been too expensive and time-consuming.) Because of this, we developed an alternative strategy to estimating EIC benefits in response to recommendations by the New Hope National Advisory Board, which urged us to seek access to actual EIC amounts recorded on state tax forms. After negotiations with the Wisconsin State Department of Taxation we agreed that this would be a feasible way to go and designed our data collection strategy accordingly.

Data Collection Strategy

Selecting the groupings. Through negotiations spearheaded by the New Hope Project, we obtained the state's permission to access individual tax records in groups of 15 or larger. For this purpose, we needed to select a large number of groups, whose identifiers would be submitted to the state for matching against the tax records. To maximize the precision of our analyses, we sought to minimize within-group variation in EIC receipt in these groups, thereby maximizing across-group variation. We pursued this goal by selecting the groups using three variables: the number of eligible children in the household (as of December 31 of the tax year), UI earnings during the tax year, and research group. We proceeded as follows:

(1) Create a "kidcat" variable, breaking the sample into four subgroups: individuals with no children, with one child, with two children, and with three children or more.[1]

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[1] Wisconsin distinguishes families with three children or more from those with two children or more, unlike the IRS.

(2) Using this variable and the research group dummy, create eight subsamples.

(3) Sort each subsample by annual earnings in the tax year.

(4) Select samples of 15 from the top down, until everyone remaining has zero earnings or the next sample would be smaller than 15.

(5) In those cases, group the last sample together (that is, if the last sample would have contained eight individuals, it now contains 23).

(6) Repeat this process for each of three years (1994, 1995, and 1996).

Note that the repetition in the last step means that each person was included in the samples we sent to the state three times.

Submitting the data to Wisconsin. After the groupings were selected, MDRC research staff created many small data files featuring each of the small subsamples. The Social Security numbers on those data files were unencrypted by MDRC's information services department and forwarded to Wisconsin for processing.

Data supplied by Wisconsin. Originally, we had considered asking only for aggregate EIC amounts from the state. However, as we discussed this with the state, we managed to secure additional information. For each sample, for each year, we received (1) the number of people who filed Wisconsin state income tax forms (Wisconsin requires that the federal form be attached), (2) the number of people receiving EIC, (3) the number of dependents, (4) the aggregate amount of Wisconsin state EIC, and (5) the aggregate amount of the federal EIC.[2] We used (2), (4), and (5) in the analyses in this report. Also, we used only one of the three tax years for each of the samples (that is, 1995 for the 1995 sample).

Processing Wisconsin's data. Wisconsin returned data on all 226 samples in a single spreadsheet. This was turned into an ASCII file (a simple text file), which was read into SAS (a statistical software program used by MDRC to analyze the data). This translation was followed by the following steps:

(1) Using the original sample designation variables, the aggregate EIC data are linked with individual-level analysis records.

(2) This merge (a "table merge") is repeated twice, as each individual sample member was assigned to three different groupings based on his or her earnings and family status in each of the three tax years.

(3) For each of the three years, an EIC probability is calculated by dividing the number of EIC beneficiaries in each grouping by the size of the group.

(4) For each of the years, an average EIC amount per recipient is calculated (separately for the state and federal returns) by dividing the aggregate amount of EIC received by the number of beneficiaries in each grouping.

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[2] This latter variable was missing for 1994.

(5) For 1994, a federal amount is imputed by multiplying the 1995 average by the ratio of 1994 to 1995 state benefits.

(6) A random number between 0 and 1 is calculated and saved.

(7) If this number is less than or equal to the probabilities calculated under (4), EIC benefits calculated under (5) are assigned to the individual. Note that someone who is assumed to have received EIC in 1994 is very likely to receive it in 1995 and 1996 as well. Also, anyone receiving the state EIC is assumed to have received the federal EIC and vice versa.

(8) Total EIC amounts are calculated by summing the state and federal amounts.

Note that the use of a random number generator in the above routine, rather than simply assigning the average amount to each individual in a grouping, introduces a degree of variability in the EIC data that compensates somewhat for the clustering associated with the use of grouped data.

Appendix I

Child and Family Study Measures in the Two-Year Survey

Appendix I

Child and Family Study Measures in the Two-Year Survey

This appendix includes supplemental information about the measures that were used in the Child and Family Study (CFS) component of the New Hope 24-month evaluation, as discussed in Chapters 6 and 7 of this report. Where applicable, the following information is provided for each of the measures:

- overview of the measure and the underlying concepts
- source of the measure
- psychometric information, including information about internal consistency reliability and validity, as well as comparisons of the CFS sample with other populations to whom the measures have been administered

What Is a Pairwise Correlation?

A pair-wise correlation is a statistical measure of association between two variables that represents how much change in one variable is accompanied by change in the other variable. The possible range of values for a correlation is from -1.00 to +1.00. Correlations with positive values indicate that high scores on the first variable are related to high scores on the second variable and, likewise, low scores on the first variable are related to low scores on the second variable. Correlations with negative values indicate that high scores on the first variable are associated with low scores on the second variable. A correlation value of zero indicates no relationship between variables. The value of -1.00 or +1.00 represents a perfect correlation, such that a change in one variable is always associated with a predictable change in the other variable. In general, correlation values below .20 are considered slight (negligible relationship), those between .20 and .40 are considered low (small relationship), those between .40 and .70 are considered to be moderate (substantial relationship), and those above .70 are considered to be high (a marked and dependable relationship).

It is important to note that a correlation is simply an indication of a relationship between two variables and in no way indicates causality. The correlation coefficient represents only the degree to which the two variables co-occur.

For the purposes of this appendix, pair-wise correlations were calculated to measure the association between pairs of related measures and are presented in table format in this appendix. Each row and column is labeled with a measure. The correlation value for a pair of measures appears in the intersecting cell for the row and column representing the two measures. Asterisks indicate correlation values that are statistically different from those expected by chance (* = 5 percent, ** = 1 percent, *** = .01 percent).

Impact Measures

Parent Psychological Well-Being

Self-esteem. The Rosenberg Self-Esteem Scale (1979) was used to assess parents' self-esteem. Using a four-point scale, ranging from "strongly disagree" to "strongly agree," respondents indicated their agreement with 10 self-evaluative statements (for example, "On the whole, I am satisfied with myself"). Responses are summed across all items to yield a scale score. Test-retest reliability of .92 in the standardization sample (Rosenberg, 1979) and an internal consistency coefficient of .84 in the CFS sample suggest that the Rosenberg scale is a reliable measure of general self-esteem.

Mastery. Parents' sense of mastery was measured using the Pearlin Mastery Scale (Pearlin et al., 1981). This scale has been used in numerous studies to measure efficacy or internal locus of control. Using a four-point scale, ranging from "strongly disagree" to "strongly agree," respondents indicated their agreement with seven items (for example, "There is really no way I can solve some of the problems I have"). Responses are summed across all items to yield a scale score. In the CFS sample, the Pearlin scale had an internal consistency coefficient of .76, indicating that respondents answered consistently across scale items.

Hope. The State Hope Scale (Snyder et al., 1996) was used to assess parents' sense of hope, in terms of agency ("belief in one's capacity to initiate and sustain actions") and pathways ("belief in one's capacity to generate routes") to achieve goals. Using a four-point scale, ranging from "strongly disagree" to "strongly agree," respondents indicated their agreement with six items (for example, "I am meeting the goals I set for myself"). Responses are summed across the items to derive the two subscale scores and a total scale score. The State Hope Scale was selected in addition to the Pearlin scale, because its items are stated positively, whereas the Pearlin items are stated negatively. In the interview, the Pearlin and Hope items were interspersed with each other.

The high levels of internal consistency in the CFS sample ($\alpha = .82$ for entire scale, .77 for agency items, .71 for pathways items) and the standardization sample of undergraduate students ($\alpha = .82$ to .95 for entire scale, .83 to .95 for agency items, .74 to .93 for pathways items) suggest that the State Hope Scale is a reliable measure of the related constructs of agency and pathways. Because it is a measure of the respondent's current feelings of hope, scores should be expected to vary from day to day. Two-day correlations for a 29-day standardization study range from .48 to .93.

Depression. Parents' experience of depression was assessed using the CES-D measure (Center for Epidemiological Studies — Depression Scale; Radloff, 1977). The 20-item self-report scale is intended as a screening instrument and has been used in many large-scale projects with low-income adults similar to the New Hope study. Internal consistency for this scale has been reported as .78 (Devins and Orme, 1985). Within the CFS sample, the internal consistency coefficient of the scale was .90, indicating that all of the items measure a unified construct.

Test-retest reliability levels of .67 at four weeks and .32 at 12 months (Radloff, 1977) indicate a general trend of decreased reliability over time. Radloff has shown that an increased time of retest interval tends to decrease retest correlations because of the increased likelihood of life events (for example, marriage, vacation, or divorce) occurring. In terms of validity, several studies demonstrate a moderate correlation between the CES-D and clinical assessments of depression (see Radloff, 1977). Distinctions between the general population and a psychiatric sample are evident with the CES-D. Whereas, 21 percent of the general population scored above the arbitrary cutoff of 16 on the CES-D, 70 percent of an inpatient sample also received a 16 or higher on the measure (Radloff, 1977). Fifty percent of the CFS sample scored above this cutoff score, suggesting that half of the sample is at risk for serious depression.

Parent time pressure. Parents' sense of time pressure was measured with two questions about whether the parents felt that they had too little or too much time. Using a five-point scale, ranging from "never" to "all of the time," respondents indicated how often they felt rushed in general and how often they had extra time. The two items were averaged to compute a single time pressure score. For the CFS sample, the time pressure items were only moderately correlated with one another ($r = .31$).

Financial worry. Several items from the interview assessed participants' feelings of worry about financial issues. Using a five-point scale, ranging from "not at all" to "a great deal," respondents indicated how much they worried about paying the bills, gaining employment, having medical coverage, having money for food and being able to afford adequate housing. Responses to the five items were averaged to compute a financial worry score. An internal consistency level of .82 suggests that the five items measure a unified construct.

Social support. To measure the program's possible effect on perceived social support, the survey contained two items concerning whether the participants had received assistance from the staff of any program they had attended since random assignment. The first item assessed whether or not the participant had received pragmatic advice or assistance from staff; the second item assessed whether or not the participant had received emotional support or counseling. The two support items were moderately correlated with one another ($r = .42$).

Relationship between parent psychological well-being measures. Measures of parent psychological well-being were moderately correlated with one another in the expected directions (range of $r = .09$ to $r = .64$). Self-esteem, mastery, and hope were positively correlated with one another and negatively correlated to depression and financial worry. The moderate levels of the correlations suggest that the measures are tapping individual yet related constructs of well-being. The amount of time pressure that parents felt was slightly correlated with their feelings of depression and slightly negatively correlated with their sense of mastery. See Table I.1 for correlations between measures of parent psychological well-being.

Parenting

Cognitive stimulation. To assess the amount of cognitive stimulation provided in the home environment, a subset of items was selected from the Cognitive Stimulation Scale of the HOME measure in the JOBS Child and Family Study (Department of Health and Human Services and Department of Education, 1995). Alternative forms of the Cognitive Stimulation Scale corresponding to the age of the child (3-5 or 6-12) were used. Items concern the presence of magazines, books, a library card, a dictionary, and a computer/video game, and the frequency of outings, trips to the museum, and religious classes.

Appendix Table I.1

The New Hope Project

Pairwise Correlations of Measures of Parent Psychological Well-Being

Measure	Self-Esteem	Mastery	Hope	Depression	Financial Worry	Time Pressure	*Sample Size*
Self-esteem	-						*564*
Mastery	0.644 ***	-					*564*
Hope	0.488 ***	0.562 ***	-				*564*
Depression	-0.586 ***	-0.562 ***	-0.432 ***	-			*567*
Financial worry	-0.394 ***	-0.433 ***	-0.342 ***	0.406 ***	-		*577*
Time pressure	-0.058	-0.089 *	-0.039	0.127 **	0.028	-	*569*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

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The subscale did not have a high level of internal consistency for children aged 3-5 (α = .35) or aged 6-12 (α = .42), suggesting that the items selected do not measure a unified construct. Removal of any of the individual items did not improve the reliability of the scale.

Parental control. A five-item consistency scale from the Canadian evaluation of the Self-Sufficiency Project (Statistics Canada, 1995) was used to measure a dimension of parenting termed "control." Using a six-point scale, ranging from "never" to "all of the time," respondents indicated the frequency of five discipline events (for example, how often the child ignores the parent's punishment). The five items were selected from a larger set used in SSP on the basis of pilot testing and item analysis. The reduced scale had an α = .76 in a pilot sample and a α = .78 in the CFS sample, indicating sufficient internal consistency. That is, parents responded similarly to all five items.

Parental monitoring. To measure parents' monitoring of children's activities, four items were taken from the five-year follow-up to the JOBS parent and child assessment. Items assess what TV programs the child watches, who the child is with when away from home, where the child is when away from home, and how many of the target child's friends the parent knows by first or last name. Because parents believe they know where preschool-age children are at all times, the monitoring items were not considered appropriate for children aged 3-5 and were asked only for children aged 6-12.

The first three items, concerning TV viewing and knowledge of children's companions and whereabouts when away from home, were asked using a five-point frequency scale, ranging from "never" to "always." The fourth item concerning how many of the child's friends are known by the parent used a four-point scale, ranging from "none or almost none" to "all or almost all." To compute a single "monitoring" score, the response options of "always" and "almost always" for the first three items were collapsed to create a four-point scale and then averaged together with the fourth item. In the CFS sample, the monitoring scale had an internal consistency level of .46, suggesting that parents were not very consistent in their responses to the four items. Removal of any of the items did not improve the reliability of the scale.

Parenting stress. Two scales used in the New Chance evaluation (Quint, Bos, and Polit, 1997) were used to assess the degree of stress or aggravation perceived by parents in relation to interactions with their children. The first scale, a measure of general parenting stress, consisted of three items concerning negative feelings about the parental role (for example, "I feel trapped by my responsibilities as a parent"). The second scale consisted of five items designed to measure stress specifically associated with the target child (for example, "My child seems to be much harder to care for than most"). Both sets of items used a five-point agreement response scale, ranging from "not at all true" to "very true." In the CFS sample, the internal consistency coefficients for general parenting stress and child-specific parenting stress were .61 and .79, respectively, suggesting that the child-specific scale was a more reliable measure of parenting stress than the general scale. The two measures were slightly correlated (r = .35), suggesting that different types of stress may be experienced by parents in relation to child-rearing.

Parental warmth. Parental warmth was measured using a three-item warmth scale from the Canadian evaluation of the SSP (Statistics Canada, 1995) and two observational items from HOME measure (Caldwell and Bradley, 1984).

For the SSP warmth scale, parents indicated on a six-point scale, ranging from "never" to "many times each day," the frequency of their praise, focused attention, and special activities involving the child. The items were averaged to compute a scale score. In the CFS sample, the internal consistency for the three-item scale was .72, indicating that parents responded similarly across the items.

The two HOME observational items assess whether parents convey positive feelings about their children and spontaneously praise or talk about their good qualities and behavior. In the CFS sample, the two items were moderately correlated (r = .49), suggesting that parents who were observed conveying positive feelings about their child were also likely to be observed praising their child.

Child's perception of relationship with caregiver. The Child Evaluation of Relationship with Mother/Caregiver measure was developed as part of a study of low-income African-American families (McLoyd et al., 1994). Children aged 6-12 indicated on a five-point scale, ranging from "not at all true" to "very true," how true 19 statements were about the parent, their relations with the parent, and interactions with the parent. Items were adapted from a rating instrument developed by Swanson (1950) and revised by McLoyd et al. (1994). Two subscales were derived, one comprising 12 items assessing perceived positive parent-child relations (for example, "Your [PCG] spends a lot of time talking with you") and the other comprising seven items tapping perceived negative parent-child (for example, "It is hard to be pleasant and happy around your [PCG]"). Within each of the two subscales, items were summed to create a total score, with higher scores indicating more positive or negative quality, respectively.

The complete subscales were used with children aged 9-12. For the younger children in the CFS sample, McLoyd designed a modified version of the original measure using nine items from the Perceived Positive Relations Subscale and three items from the Perceived Negative Relations Subscale.

McLoyd and colleagues (1994) report a high level of internal consistency for the positive and negative relations subscales, $\alpha = .91$ and $\alpha = .81$, respectively. In the CFS sample, internal consistency coefficients were .66 (ages 6-8) and .87 (ages 9-12) for Perceived Positive Relations and .45 (ages 6-8) and .66 (ages 9-12) for Perceived Negative Relations. These coefficients indicate that children were more consistent in their responses to items about positive interactions with the parent than items about negative interactions. Also, younger children were less consistent in their responses than older children, suggesting that such a measure may be appropriate only for older children.

Relationship between parenting measures. Across the three CFS age groups (3-5, 6-8, and 9-12), parenting measures were generally related to one another in the expected directions. For all ages, cognitive stimulation was positively correlated with reported parental warmth and negatively correlated with parental control, general parenting stress, and child-specific parent stress (ages 6-8 only). As expected, parental control was negatively correlated with reported parental warmth (although only slightly, r = -.11 to -.15) and positively correlated with child-specific and general parent stress (r = .22 to .67). That is, parents who reported more frequent issues of control and discipline with their children also tended to report stress related to parenting. Both types of parenting stress were negatively correlated with reported parental warmth.

For children aged 6-12, positive perceptions of the parent were slightly positively related to parental monitoring and parental warmth. For those aged 6-8, monitoring and parental warmth were slightly correlated with each other as well. Monitoring was also negatively related to specific and general parent stress and to children's negative perceptions of the parent. See Table I.2 for correlations between measures of parenting for the three age groups.

Child Outcome Measures

Education and Aspirations

School achievement and classroom behavior skills. The principal measure of academic achievement was the Academic Subscale of the Social Skills Rating System, completed by the child's teacher. On this 10-item measure, the teacher rates the child's performance in comparison to others in the same classroom on reading skill, math skill, intellectual functioning, motivation, oral communication, classroom behavior, and parental encouragement. The five-point scale ranged from "bottom 10 percent" to "top 10 percent." The internal consistency within the CFS sample and test-retest reliability in a standardization sample are .94 and .93, respectively, indicating that all of the items measure one unified attribute and that teachers' ratings are consistent over time (Gresham and Elliott, 1990). In one sample, scores on this measure were highly correlated with the Kaufman Test of Educational Achievement-Brief Form (r = .70) (Demaray and Elliot, 1998).

Children's academic achievement was assessed using parents' reports as well. Parents were asked to evaluate their children's school performance, based on information they had obtained from report cards or other sources, on a five-point scale, ranging from "not at all well" to "very well." The correlation between parents' reports and teachers' evaluations on the Academic Subscale of the SSRS was .44, indicating that parents' reports were moderately good indicators of their children's actual school performance.

Classroom behavior skills. Children's study skills, conformity to classroom rules and routines, ability to work and complete tasks independently, and ability to make transitions without becoming distracted were assessed with the Classroom Behavior Scale, an abbreviated version of the School Adjustment Scale. The School Adjustment Scale was developed from a set of classroom observations in schools serving low-income families as part of the Early Window Study (Wright and Huston, 1995), an investigation of an ethnically diverse sample of children from low- to moderate-income families. Teachers' ratings on the scale were significantly related to independent assessments of the quality of the home environment using the HOME measure (Caldwell and Bradley, 1984). With home environment controlled for, school adjustment scores were not related to maternal education, family income, or whether the primary language in the home was English or Spanish (Wright and Huston, 1995).

Because the items in the original scale were highly related, we selected a set of 12 items representing three subscales: behavior skills (for example, complies with teacher requests, behaves so as not to disturb peers), independent skills (for example, remains on-task with minimal supervision, manages free time constructively), and transition skills (for example, recognizes transition cues and stops ongoing behavior, moves quickly to next activity). The internal consistency of the subscales and the total score were all above .90, and the subscales were highly re-

Appendix Table I.2

The New Hope Project

Pairwise Correlations of Parenting Measures for Three Age Groups

Measure	Cognitive Stimulation	Parental Control	Parental Monitoring[a]	Child-Specific Parent Stress	General Parent Stress	Parental Warmth Scale	Observed Warmth Scale	Perceived Positive Relations[a]	Perceived Negative Relations[a]	*Sample Size*
Children Ages 3-5										
Cognitive stimulation	-									*327*
Parental control	-0.172 **	-								*326*
Parental monitoring[a]	n/a	n/a	n/a							
Child-specific parent stress	-0.123 *	0.287 ***	n/a	-						*326*
General parent stress	-0.279 ***	0.538 ***	n/a	0.304 ***	-					*327*
Parental warmth scale	0.291 ***	-0.127 *	n/a	-0.138 *	-0.309 ***	-				*328*
Observed warmth scale	0.136 *	-0.056	n/a	-0.074	-0.032	0.101	-			*316*
Children Ages 6-8										
Cognitive stimulation	-									*225*
Parental control	-0.242 ***	-								*224*
Parental monitoring[a]	0.240 ***	-0.326 ***	-							*223*
Child-specific parent stress	-0.234 ***	0.384 ***	-0.147 *	-						*227*
General parent stress	-0.201 **	0.667 ***	-0.308 ***	0.345 ***	-					*224*
Parental warmth scale	0.335 **	-0.152 *	0.136 *	-0.119	-0.226 ***	-				*224*
Observed warmth scale	0.106	-0.162 *	0.332 ***	-0.129	-0.190 **	0.109	-			*222*
Perceived positive relations[a]	0.068	-0.073	0.134 *	-0.026	-0.101	0.137 *	-0.026	-		*229*
Perceived negative relations[a]	-0.103	0.110	-0.134 *	0.017	-0.106	0.019	-0.128	-0.214 **	-	*229*

(continued)

Appendix Table I.2 (continued)

Measure	Cognitive Stimulation	Parental Control	Parental Monitoring[a]	Child-Specific Parent Stress	General Parent Stress	Parental Warmth Scale	Observed Warmth Scale	Perceived Positive Relations[a]	Perceived Negative Relations[a]	*Sample Size*
				Children Ages 9-12						
Cognitive stimulation	-									*288*
Parental control	-0.149 *	-								*285*
Parental monitoring[a]	0.236 ***	-0.361 ***	-							*287*
Child-specific parent stress	0.075	0.222 ***	-0.162 **	-						*283*
General parent stress	-0.153 **	0.668 ***	-0.303 ***	0.227 ***	-					*285*
Parental warmth scale	0.225 ***	-0.110	0.068	0.103	-0.141 *	-				*286*
Observed warmth scale	0.108	-0.276 ***	0.116	-0.103	-0.238 ***	0.114	-			*276*
Perceived positive relations[a]	0.164 **	-0.146 *	0.153 **	0.037	-0.269 ***	0.160 **	-0.009	-		*286*
Perceived negative relations[a]	-0.103	0.212 ***	-0.203 ***	0.078	0.237 ***	-0.092	-0.120 *	-0.372 ***	-	*286*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

N/a = not applicable.

[a] These measures were not used in the interviews with parents of children aged 3-5.

lated to one another (r = .83 to .89). That is, teachers rated a child similarly (high or low) on all the items.

Values and interests. The value that individuals attach to a task is an important determinant of their motivation and of the likelihood that they will spend time and effort on it (Eccles et al., 1997). Children's values for achievement in different areas were measured in two ways: their interests or liking for different activities and their statements about how important an area of achievement was to them. We were interested in the value attached to school, but also in other types of activities that may benefit development.

Interests were assessed by scoring eight "filler" items in the Loneliness and Social Dissatisfaction Questionnaire (see next section). Although the major focus of this measure is peer relationships, items about interests are included in order to vary the content of the items. Children were asked how much they like school, reading, math (summed to form academic interest), sports, music, art, television, and playing outdoors. The questions on the measure are identical, but the response scales for children aged 6-8 have three levels ("no," "sometimes," "yes") while those for children aged 9-12 have five levels, ranging from "not true at all" to "always true."

Relationship between measures of school performance and interest. For the most part, reports of children's school achievement were consistent. Teachers' reports of achievement were moderately correlated with parents' reports of achievement (r = .44) and school progress (r = .24). For children aged 9-12, children's reported interest was correlated with parents' reports of achievement and progress. See Table I.3 for correlations between measures of children's school achievement and interest.

Educational aspirations and expectations. Educational aspirations and expectations were assessed on the basis of both parent and child reports. Educational aspirations were measured only for children aged 9-12 because younger children do not have a frame of reference to answer such questions. Using an item from Medrich et al. (1994), parents indicated their educational aspirations for the focal child; 1 = some high school; 2 = finish high school; 3 = technical school after high school; 4 = some college; 5 = finish college; 6 = graduate or professional school after college. A second item, with the same response categories, tapped parents' educational expectations for the focal child. Finally, using the same response categories, the parents indicated the minimum level of educational attainment by the focal child that would be acceptable.

Children aged 9-12 were asked to indicate how sure they were that they would finish high school, go to college, and finish college. For each of the three items, children responded on a five-point scale, ranging from "not at all sure" to "very sure," with higher scores indicating greater certainty. Children were also asked to estimate their parents' educational expectations for them using the same three items. The items were taken from a measure of occupational and educational aspirations/expectations (Cook et al., 1996). All of the items were moderately correlated to one another. That is, children who believed that their parents had high educational expectations of them were likely to have high expectations themselves. The high correlations between the items on attending and completing college (child's expectation and the child's perception of the parent's expectation, r = .66 and .73, respectively) suggest that if children believed they would attend college, they were quite sure they would be able to complete college as well. See Table I.4 for the relationship between children's expectations and perceptions of their parents' expectations for them.

Appendix Table I.3

The New Hope Project

Pairwise Correlations of Educational Measures of Achievement

Measure	Teacher Report of School Achievement	Parent Report of School Progress	Parent Report of School Achievement	Total Classroom Behavior	Academic Interest (ages 6-8)	Academic Interest (ages 9-12)	*Sample Size*
Teacher report of school achievement	-						*416*
Parent report of school progress	0.235 ***	-					*657*
Parent report of school achievement	0.438 ***	0.428 ***	-				*654*
Total classroom behavior	0.632 ***	0.207 ***	0.349 ***	-			*418*
Academic interest (ages 6-8)	0.006	0.031	0.168 *	0.024	-		*228*
Academic interest (ages 9-12)	0.093	0.183 **	0.226 ***	0.040	0.000	-	*287*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

Appendix Table I.4

The New Hope Project

Pairwise Correlations of Educational Aspirations and Expectations

	Child's Perception of Parent Aspiration			Child's Aspiration			
Measure	Completing High School	Attending College	Completing College	Completing High School	Attending College	Completing College	*Sample Size*
Child's perception of parent aspiration							
Completing high school	-						*286*
Attending college	0.490 ***	-					*285*
Completing college	0.516 ***	0.734 ***	-				*285*
Child's aspiration							
Completing high school	0.508 ***	0.417 ***	0.503 ***	-			*287*
Attending college	0.377 ***	0.482 ***	0.466 ***	0.393 ***	-		*287*
Completing college	0.394 ***	0.472 ***	0.602 ***	0.546 ***	0.656 ***	-	*287*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

Occupational aspirations and expectations. Children aged 6-12 were asked about their occupational aspirations and expectations, using a set of questions adapted from Cook and colleagues (1996). They were asked first what occupation they would like to have when they grow up; then they were asked what they thought they would actually do when they grow up. Both responses were coded according to codes from the 1980 Census Occupational Classification, occupational prestige scores developed by Nakeo and Treas (1990), and a scheme categorizing jobs as managerial/professional or service, with more specific subgroups under each of these headings (Ripke and Mistry, 1998). To evaluate how specific children's job knowledge was, we also coded their responses on a four-point scale from "vague" to "very elaborate."

Child Psychological Well-Being

Three measures of children's sense of competence and well-being were obtained. All three measures have been standardized on populations in this age group, though normative information for children of color or children from low-income families is limited.

Perceived competence. Children's sense of competence was measured using parallel scales designed for the two age groups: the Pictorial Scale of Perceived Competence and Social Acceptance for Young Children (Harter, 1985) for children aged 6-8 and the Self-Perception Profile (Harter and Pike, 1984) for those aged 9-12.

In both measures, the items present two contrasting children. For example, one item in the Pictorial Scale is: "This boy/girl isn't very good at numbers. This boy/girl is pretty good at numbers. Which of these boys/girls is most like you?" Each item is accompanied by a pair of pictures illustrating the stimulus children. (Because the children in the drawings in the original scale all looked European American, we commissioned an artist to draw new pictures depicting more ethnically diverse children than those in the original scale.) Once the respondent chose one of the stimulus children, the examiner asked a second question. In the math example, if the respondent chose the one who is not good at numbers, the follow-up was: "Are you not too good at numbers (1) or pretty good (2)?" If the child chose the stimulus child who is pretty good, the follow-up question was: "Are you pretty good (3) or really good (4) at numbers?" The score for each item can range from 1 to 4.

The two scales of this instrument used for the purposes of this study were Perceived Cognitive Competence and Perceived Physical Competence. In the standardization sample, the internal consistencies were .76 and .53, respectively. In the CFS sample, they were .74 and .67, indicating that the items within each scale were measuring a unified construct. The two scales were moderately related to one another (r = .60). That is, children who perceived themselves as highly competent in cognitive skills were also likely to consider themselves high in athletic skills.

The Self-Perception Profile, used for ages 9-12, has a similar format, but no pictures accompany the verbal descriptions. Three aspects of self-perception were measured: scholastic competence, athletic competence, and global self-worth. In the standardization samples, all three measures had high levels of internal consistency (about .80). In the CFS sample, the internal consistencies were .70, .54, and .74, respectively, suggesting that the items measuring athletic competence were not assessing a unitary construct. The three types of perceived competence were moderately related to one another with intercorrelations ranging from .34 to .37; that is, for these older children, there was some tendency for children who felt competent in one domain to also feel competent in the others.

Peer relationships. The Loneliness and Social Dissatisfaction Questionnaire measures children's perceptions of peer relations and friendships (Asher and Wheeler, 1985; Cassidy and Asher, 1992). It has 16 items that loaded on one factor in the standardization sample of 200 children in 3rd grade through 6th grade. The items are in the form of questions for children aged 6-8 (for example, "Is it easy for you to make new friends?"), and children answer on a three-point scale: "yes," "sometimes," or "no." For those aged 9-12, the items are in the form of statements (for example, "It's hard for me to make new friends"), and children answer on a five-point scale, ranging from "always true" to "not true at all." On the original measure, high scores indicate loneliness. We reversed the direction of all items so that high scores represent satisfaction with peer relationships. The internal consistency in the original sample was .90. In the CFS sample, it was .65 for children aged 6-8 and .89 for those aged 9-12, indicating that the items measured a single construct better for older children than for younger children.

Anxiety. Children's general anxiety was measured with a modified version of the Revised Children's Manifest Anxiety Scale (Pela and Reynolds, 1982; Reynolds and Richmond, 1990). A 13-item abbreviated version of the original 28-item measure contained items measuring physiological anxiety (for example, have trouble going to sleep), worry/oversensitivity (for example, worry a lot), and social concerns (for example, other children are happier). These were summed to form a total anxiety score. Younger children responded to questions on a three-point scale: "yes," "sometimes," or "no." For older children, the items asked how often something occurs; the responses were made on a five-point scale, ranging from "all of the time" to "never."

After examining the inter-item correlations, the decision was made to drop one item for the younger children only ("I am tired a lot"), because it did not correlate with any of the other items. The concept of tiredness may be difficult for young children to assess.

In the standardization sample, the children took the test a second time nine months after the first administration. Responses were fairly consistent over time (correlation .68), indicating that the tendency to report high or low levels of anxiety is a moderately stable characteristic.

In the CFS sample, the internal consistencies for total anxiety were .70 for children aged 6-8 and .87 for those aged 9-12, indicating that the items were measuring one construct for both age groups. The internal consistencies within each of the three subscales for the younger and older children, respectively, were: physiological anxiety, .57 and .68; worry, .47 and .75; social concern, .49 and .70. Older children were somewhat more consistent in their responses than younger ones. The three subscales were moderately correlated with one another for the younger children (range was .30 to .44) and more strongly correlated for older children (range .59 to .67).

Relationship among perceived competence, peer relations, and anxiety. Children's feelings of competence, perceived peer relationships, and their levels of anxiety were related to one another for the younger (ages 6-8) and older (ages 9-12) children. Those children who felt most competent also felt more satisfied with their peer relationships (r = .20 for younger children and r = .28 to .35 for older children). Older children who felt more competent and more satisfied with peers also reported feeling less anxious (correlations from -.10 to -.49). For younger children, however, satisfaction with peers was slightly *positively* correlated with anxiety (r = .24 and .37). In general, correlations among the measures were lower for younger children than for older children. See Tables I.5 and I.6 for correlations among the measures of child psychological wellbeing.

Appendix Table I.5

The New Hope Project

Pairwise Correlations of Measures of Younger Child's Psychological Well-Being (ages 6-8)

Measure	Perceived Cognitive Competence	Perceived Physical Competence	Friendship Scale	Physiological Anxiety	Total Anxiety	*Sample Size*
Perceived cognitive competence	-					*228*
Perceived physical competence	0.596 ***	-				*228*
Friendship Scale	0.201 **	0.167 *	-			*229*
Physiological anxiety	-0.087	0.052	0.240 ***	-		*229*
Total anxiety	0.029	0.085	0.367 ***	0.782 ***	-	*229*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

Appendix Table I.6

The New Hope Project

Pairwise Correlations of Measures of Older Child's Psychological Well-Being (ages 9-12)

Measure	Perceived Scholastic Competence	Perceived Athletic Competence	Perceived Global Self-Worth	Friendship Scale	Total Anxiety	Physiological Anxiety	Worry/ Sensitivity	Social Concerns	*Sample Size*
Perceived scholastic competence	-								*285*
Perceived athletic competence	0.338 ***	-							*285*
Perceived global self-worth	0.366 ***	0.346 ***	-						*285*
Friendship scale	0.275 ***	0.285 ***	0.354 ***	-					*287*
Total anxiety	-0.367 ***	-0.210 ***	-0.407 ***	-0.492 ***	-				*286*
Physiological anxiety	-0.242 ***	-0.098	-0.331 ***	-0.365 ***	0.887 ***	-			*286*
Worry/sensitivity	-0.259 ***	-0.187 **	-0.312 ***	-0.411 ***	0.864 ***	0.669 ***	-		*286*
Social concerns	-0.459 ***	-0.271 ***	-0.413 ***	-0.508 ***	0.834 ***	0.588 ***	0.588 ***	-	*286*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

A comment on measurement. The reliability of all of these measures was better for children aged 9-12 than for those aged 6-8. That is, their answers to questions designed to measure a particular construct were more consistent, and they were able to make finer distinctions. This age difference is to be expected on the basis of what is known about cognitive development. Older children can translate their experiences into the language and numerical scales used in these measures better than younger ones. It is also likely that older children have more clearly formed and stable concepts about themselves, their relations to others, and their emotional lives. Because they are more reliable, the measures are probably also more valid for older children than for younger ones; there is more random error of measurement for the younger children. For that reason, on statistical grounds alone we would expect fewer significant differences between younger children than between older children in New Hope and control families. Where differences do occur, however, they are just as likely to be correct because the tests for statistical significance take into account the amount of random error in the measures.

Social Behavior

Many studies of children from low-income families focus on the negative aspects of social behavior rather than positive qualities. Our theoretical framework led us to give equal emphasis to both positive and problem behavior. Both parents and teachers completed the Positive Behavior Scale and the Social Skills Rating System Problem Behavior Scale. Because of time restrictions on the parent interview, parents completed these scales for only one of their children (the first focal child), but teachers were asked about both children in a family if both were school-age. Items from the two measures were intermixed to reduce response sets.

Children aged 6-12 were given a measure of social problem-solving, and those aged 9-12 received a measure of self-control.

Positive behavior. The Positive Behavior Scale was developed for the New Chance survey (Quint, Bos, and Polit, 1997), a study of over 2,000 low-income mothers and their children. A parallel version for teachers contains similar or identical items. Its 25 items can be divided into three subscales: compliance/self-control (for example, thinks before he/she acts, usually does what I tell him/her) social competence and sensitivity (for example, gets along well with other children, shows concern for other people's feelings), and autonomy (for example, tries to do things for him/herself, is self-reliant). The parent or teacher responds on a five-point scale, ranging from "never" to "all of the time." The Positive Behavior Scale was chosen for this study instead of a similar set of items from the Social Skills Rating System because it was judged by the investigators and community representatives in Milwaukee as more appropriate for the populations being studied, and it had been standardized on a multi-ethnic sample of mothers with low incomes.

For the New Chance sample, the internal consistency of the total score was .94 for parent ratings (internal consistencies for the subscales ranged from .77 to .88. For the CFS sample, the internal consistency for the total score was .91 for parent ratings and .95 for teacher ratings. The consistencies within subscales ranged from .71 to .86 for parents and from .81 to .92 for teachers. That is, both parents and teachers were fairly consistent in their descriptions of these qualities in children.

Problem behavior. The Problem Behavior Scale from the Social Skills Rating System (Gresham and Elliot, 1990) was administered to both parents and teachers. Parents received two components: externalizing problems and internalizing problems. Externalizing problems include aggression and lack of behavior control ("is aggressive toward people or objects," "has temper tantrums"). Internalizing problems include social withdrawal and excessive fearfulness ("appears lonely," "acts sad or depressed"). Teachers completed the externalizing, internalizing, and hyperactivity ("is easily distracted," "disturbs ongoing activities") components. Teachers also reported how often they had to discipline the child for misbehavior. The items for preschool children (ages 3-5) are slightly different from those for children aged 6-12. Because the parents completed two components and the teachers completed three, the total scores for the two are not comparable.

The internal consistencies for parents' ratings of preschool children were .69 for the total score and from .63 to .70 for the two components. They were somewhat higher for parents' ratings of children aged 6-12: .77 for the total score and .61 to .81 for the components. Internal consistencies for teacher ratings ranged from .78 to .92. That is, teachers were more consistent than parents in their ratings of school-age children, and parents were more consistent in their ratings of school-age children than of preschool children.

Social problem-solving. The Social Problem-Solving Skills measure, administered to children aged 6-12, contains vignettes that elicit children's responses to peer conflicts or provocations and to situations requiring social initiation (Dodge, Petit, and Bates, 1994; Dodge et al., 1995). Each vignette was accompanied by a line drawing illustrating the scene. One provocation vignette showed a child pushing another child out of line at school; the other showed a playground scene in which someone calls a child names and makes fun of him/her. One social initiation vignette showed and described a child who would like to be friends with someone in her/his class; the other showed a child who would like to join a kickball game.

Children provided open-ended responses indicating what they could say or do in this situation. After the first response, they were asked to think of something else they could say or do. Prompting continued until they gave two distinct responses or indicated that they could not think of anything more. The four vignettes were chosen from eight items in the original measure because of the time required for administration and because children in the pilot studies either became fatigued or repeated their responses on the later items administered. For 6-year-olds in pilot testing, even this number of items was too large, so they received only the two social initiation items.

Children's responses were coded as aggression (physical or verbal attack or retaliation), appeal to an authority to punish the transgressor, social competence (socially appropriate actions such as asking, making deals, sharing), appeal to authority to intervene, and passivity (inappropriate or ineffectual response). Five coders were trained to a criterion level of 90 percent reliability based on percentage agreement. Thereafter, one coder served as a reliability coder and double-coded 25 percent of the responses to assure that a 90 percent level of reliability was maintained.

Each child received a social competence score and an aggression score. The competence score represents the number of socially competent responses to the provocation and social initiation. The aggression score represents the total number of aggressive/punishment responses (that is, answers coded as aggressive or an appeal to authority to punish). The possible range of scores was 0 to 8 for social competence (two coded responses to four vignettes) and 0 to 4 for aggression (two coded responses to provocation vignettes only). In the CFS sample, social competency and aggression were only slightly correlated (r = -.10). It is important to note that aggressive/punishments responses were not common; the mean number of such responses was .88 (out of a possible 4.0).

Self-control. Children's ability to concentrate and attend in school was measured with a five-item Children's Perceived Self-Control Scale (Humphreys, 1982). In the standardization study, these five items loaded on a single factor, and test-retest reliability over a three-week interval was .63. In the CFS sample, the internal consistency for the scale was .67. That is, children were only moderately consistent in their responses to these questions.

Relationship between positive and problem behavior ratings. Ratings of positive and problem behaviors were expected to be related; that is, children rated higher on positive behavior were likely to be rated lower on problem behavior, and those rated higher on problem behavior were likely to be rated lower on positive behavior. These patterns might be expected to occur more for compliance than for autonomy. The parents' ratings followed this pattern. The correlations between total positive behavior and total problem behavior were -.33 for children aged 3-5 and -.55 for those aged 6-12, indicating that high scores on positive behavior tended to go with low scores on problem behavior. This was particularly true for the relation of compliance to externalizing problem behavior, a pattern that one would expect (r = -.56). The modest size of the correlations indicates, however, that positive and problem behaviors were not simply opposite ends of a single dimension. They describe different aspects of children's behavior.

Parent and teacher ratings were minimally related. The correlations between their ratings were .13 to .20 for total positive behavior, externalizing problems, and internalizing problems. Both parent and teacher ratings correlated modestly, but significantly, with children's self-control scores (ranging from .17 to .22). See Tables I.7-I.9 for correlations between measures of children's social behavior.

The low relationship between parent and teacher ratings is consistent with many other findings on children's social behavior. One reason may be that children behave differently in different contexts, so parents and teachers are actually seeing different levels of positive and problem behavior. This does not mean that children are inconsistent within contexts. They often have stable patterns of behavior within a setting (for example, being helpful and compliant at home).

Parents and teachers have different types of contact with children. Teachers see children primarily within a large group and do not interact with them on an individual level very much. Teachers are probably most aware of salient aspects of behavior, particularly misbehavior. Parents see children in home and other settings where there are fewer people, and the age mix of adults and children may be different. The fact that both parents and teachers are less reliable in detecting internalizing problems than externalizing problems is probably because aggression and noncompliance draw attention and are much easier to observe than sadness and social withdrawal.

Still another reason for the parent-teacher discrepancy could be differences in their interpretation or bases for judging the behaviors in the items. The items were selected because they describe observable behaviors and do not require judgments about children's motives or personalities, but it is still possible that adults use different criteria for evaluating them. Adults may also

Appendix Table I.7

The New Hope Project

Pairwise Correlations of Positive Social Behavior for Children

Measures	Parent Report: Social Competence	Parent Report: Compliance	Parent Report: Autonomy	Total Positive Behavior	Teacher Report: Social Competence	Teacher Report: Compliance	Teacher Report: Autonomy	Total Positive Behavior	Child Report: SPS: Social Competence[a]	Child Report: Self-Control	*Sample Size*
Parent report (ages 3-12)											
Social competence	-										*563*
Compliance	0.680 ***	-									*563*
Autonomy	0.499 ***	0.378 ***	-								*563*
Total positive behavior	0.927 ***	0.862 ***	0.653 ***	-							*563*
Teacher report (ages 5-12)											
Social competence	0.169 **	0.246 ***	0.060	0.200 **	-						*417*
Compliance	0.144 *	0.217 ***	0.008	0.163 *	0.829 ***	-					*417*
Autonomy	0.127 *	0.167 **	0.106	0.158 *	0.637 ***	0.607 ***	-				*417*
Total positive behavior	0.164 **	0.239 ***	0.050	0.192 **	0.950 ***	0.936 ***	0.768 ***	-			*418*
Child report (ages 6-12)											
SPS: Social competence[a]	0.081	-0.001	-0.074	0.026	0.063	0.057	0.044	0.062	-		*518*
Self-control	0.215 **	0.167 *	0.037	0.194 **	0.218	0.194	0.109	0.206 **	0.195 ***	-	*286*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

[a] Social Problem-Solving Skills measure: social competence refers to responses considered to be socially appropriate.

Appendix Table I.8

The New Hope Project

Pairwise Correlations of Negative Social Behavior for Children

	Parent Report			Teacher Report			Child Report	
Measures	Externalizing Problems	Internalizing Problems	Total Problem Behavior	Externalizing Problems	Internalizing Problems	Hyperactivity Problems	SPS: Aggression[a]	*Sample Size*
Parent report (ages 3-12)								
Externalizing problems	-							*326*
Internalizing problems	0.330 ***	-						*325*
Total problem behavior	0.897 ***	0.713 ***	-					*326*
Teacher report (ages 5-12)								
Externalizing problems	0.195 **	0.063	0.174 *	-				*418*
Internalizing problems	0.094	0.125	0.127	0.300 ***	-			*416*
Hyperactivity problems	0.160 *	0.051	0.142 *	0.770 ***	0.245 ***	-		*417*
Child report (ages 6-12)								
SPS: Aggression[a]	0.033	0.071	0.060	0.087	0.065	0.067	-	*518*

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

[a] Social Problem-Solving Skills measure: aggression refers to responses indicating physical or verbal retaliation.

Appendix Table I.9

The New Hope Project

Pairwise Correlations of Parent and Teacher Reports of Child Social Behavior

Measures	Positive Behavior: Social Competence	Positive Behavior: Compliance	Positive Behavior: Autonomy	Total Positive Behavior	Problem Behavior: Externalizing Problems	Problem Behavior: Internalizing Problems	Problem Behavior: Total Problem Behavior[a]	Problem Behavior: Hyperactivity[b]	*Sample Size*
Parent Report									
Positive behavior (ages 3-12)									
Social competence	-								*563*
Compliance	0.680 ***	-							*563*
Autonomy	0.499 ***	0.378 ***	-						*563*
Total positive behavior	0.927 ***	0.862 ***	0.653 ***	-					*563*
Problem behavior (ages 3-5)									
Externalizing problems	-0.293 ***	-0.421 ***	-0.040	-0.333 ***	-				*237*
Internalizing problems	-0.318 ***	-0.288 ***	-0.269 ***	-0.343 ***	0.321 ***	-			*237*
Total problem behavior[a]	-0.366 ***	-0.449 ***	-0.152 *	-0.407 ***	0.898 ***	0.704 ***	-		*237*
Hyperactivity[b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	*n/a*
Problem behavior (ages 6-12)									
Externalizing problems	-0.548 ***	-0.563 ***	-0.034	-0.534 ***	-				*326*
Internalizing problems	-0.302 ***	-0.272 ***	-0.255 ***	-0.333 ***	0.330 ***	-			*325*
Total problem behavior[a]	-0.549 ***	-0.547 ***	-0.142 **	-0.553 ***	0.897 ***	0.721 ***	-		*326*
Hyperactivity[b]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	*n/a*
Teacher Report									
Positive behavior (ages 5-12)									
Social competence	-								*417*
Compliance	0.829 ***	-							*417*
Autonomy	0.637 ***	0.607 ***	-						*417*
Total positive behavior	0.950 ***	0.936 ***	0.768 ***	-					*418*
Problem behavior (ages 5-12)									
Externalizing problems	-0.710 ***	-0.720 ***	-0.235 ***	-0.685 ***	-				*418*
Internalizing problems	-0.531 ***	-0.384 ***	-0.513 ***	-0.515 ***	0.300 ***	-			*416*
Total problem behavior[a]	n/a	n/a	n/a	n/a	n/a	n/a	n/a		*n/a*
Hyperactivity[b]	-0.650 ***	-0.809 ***	-0.360 ***	-0.720 ***	0.770 ***	0.244 ***	n/a	-	*417*

(continued)

Appendix Table I.9 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Correlations in this table represent the statistical association between pairs of measures. Values range from -1.00 (indicating an inverse relationship between measures) to +1.00 (indicating a positive relationship between measures). Statistical significance levels are indicated as *** = .01 percent, ** = 1 percent, and * = 5 percent.

N/a = not applicable.

[a] This measure was used only in the parent survey.

[b] This measure was used only in the teacher survey.

value qualities differently. Some may consider autonomy an important value; others may be more concerned about compliance.

Parents are also much more emotionally invested in their children than teachers are, both because they love their children and because they believe that a child's behavior reflects on the parent. Hence, parents have more reasons to present their children in a positive light. Teacher ratings, on the other hand, could be influenced by negative stereotypes based on ethnic group or social class. The most reasonable way to interpret any results found is that the behavior reported is valid for the context in which the observations were made.

Appendix J

Ethnographic Vignettes

Appendix J

Ethnographic Vignettes

The 10 family vignettes presented in Chapters 3-6 are drawn from a longitudinal ethnographic study of 46 families in the Child and Family Studies (CFS): 23 New Hope participant families and 23 control group families were drawn at random from the CFS for the ethnographic study in the spring of 1998. The ethnographic study is ongoing, and fieldwork was begun while the present report was being drafted. For this report, authors integrated vignettes into their own chapters wherever they felt these vignettes would be useful as supplementary material.

The ethnographic study of the impact of New Hope focuses on possible differences in the organization of family activities and the family daily routine due to New Hope participation. The ethnographic work began in early 1998, when most families in the experimental group were completing the program, and will continue over the next three years. Because of its start date, none of the families in the ethnographic study were participating in it during their first 24 months after enrollment. Therefore, all the findings from the ethnography should be thought of as after-the-fact reconstructions to the degree that they describe events during the first two years of follow-up. The fieldwork includes interviews with parents about their life circumstances and their views of New Hope and other services; participant observation of family life; and interviews and participant observation with the children in the CFS.

The family vignettes prepared for the survey report were selected because they exemplified a pattern in family adaptation or circumstances that was also found in the survey analysis and that the authors thought would be useful to include. The fieldworker who worked with a particular family wrote the summary based on his or her fieldnotes and on the survey data for that case, in collaboration with Tom Weisner and Cindy Bernheimer. Each vignette crystallizes, in the life of one particular family, a more general pattern shown in the survey findings for the chapter. These vignettes do not cover all the patterns that could have been illustrated and are not chosen because they represent the 10 best or most important ones. They are 10 interesting cases, of many more possible, that fit in terms of their content within the lengthy report.

The 10 patterns (using the titles of the vignettes) selected are listed in their order of presentation in the report:

- Strategic Use of New Hope Benefits
- Families in the New Hope and Control Groups Are Often Aware of, in Need of, and Use a Variety of Services in Creative Ways
- L'Kesha's CSJ Leads to a Permanent Job
- Some New Hope Participants Already May Have Had Other Job-Provided Benefits, and/or May Have Wanted Services That New Hope Did Not Offer
- A Control Group Member Worries About Health Coverage

- New Hope Parents Gained in Their Sense of Agency and Hope from the Program and Their Reps
- Some Parents Have Different Concerns for Boys Than for Girls
- Provision of Child Care Leads to More Stable Employment
- Balancing Work, Education, and the Care of Young Children
- Use of Extended Day Care Has Helped Parents Work Full Time or Flexible Time

Although the focus of each vignette is the particular pattern we chose to illustrate, as reflected in the title, some other circumstances of each family's life are included to add a sense of context to the pattern represented. The survey findings all arise out of the complex life experiences we have tried to capture briefly in these vignettes.

The vignettes are not blended composites of several cases: each represents a single family's circumstances. Names have been changed, and other information in the vignettes (such as jobs, locations of jobs and residences, family circumstances, background information, and so forth) have been selectively altered in such a way as to make identification of any specific family or individual impossible based on the vignette, yet done so that the vignette still retains the same pattern or type of family circumstance.

The ethnographic work is closely coordinated with other members of the MDRC-MacArthur Network group participating in the evaluation (Greg Duncan at Northwestern, Aletha Huston at Texas, and Bob Granger at MDRC). The fieldworkers currently participating in the project include: Melania Adem, University of Wisconsin–Madison; Lucinda Bernheimer, UCLA; Nelle Chmielewski, University of Wisconsin–Madison; Victor Espinosa, UCLA; Christina Gibson, Northwestern University; Eboni Howard, Northwestern University; Katherine Magnuson, Northwestern University; Jennifer Romich, Northwestern University; and Devarati Syam, University of Wisconsin–Milwaukee. The ethnographic study is supported by the MacArthur Foundation, NICHD, the UCLA Culture and Health Center and the UCLA Fieldwork and Qualitative Data Laboratory, Department of Psychiatry.

Appendix K

The Barrier Indicator Index

Appendix K

The Barrier Indicator Index

The diverse nature of New Hope participants was apparent from the very start of the program's operations. Many parents who were employed full time at random assignment appeared attracted to the program because it promised to make their work and family lives more manageable. Those not employed full time at random assignment often saw New Hope's supports as a way of entering the world of full-time work. However, the disparate credentials, situations, and experiences of this subgroup led us to expect differential success in meeting their goals. In addition, it appeared that New Hope might be able to help some participants more than others. Some participants might succeed without New Hope, others might benefit from the program, and some might succeed only with help from a different intervention.

In this appendix we detail the development of the barrier indicator index used in this report to distinguish families for whom the program made more (or less) of a difference. Although we were unable to measure precisely many of the barriers suggested by our ethnographic work, we were able to construct indicators that captured particular types of barriers.

We found that individually the barrier indicators did not reliably predict which people were best able to translate New Hope supports into sustained earnings gains. However, the total number of barriers was indeed highly predictive of who benefited most from program supports. Specifically, among those not employed full time at random assignment, positive program impacts on earnings were concentrated among participants who faced few barriers. This is important because it suggests that, despite similar rates of participation in the New Hope Program and labor market, families differed systematically in their ability to translate New Hope's supports into sustained earnings increases.

We sound two notes of caution. First, the particular barrier indicators available in our quantitative data at best represent relevant categories of potential problems, rather than precise definitions. Thus, indicators in our index should *not* be viewed as measures to be used for actual program targeting. Instead, our results reveal the more general fact of disparate program impacts, even within the New Hope context in which every participant had access to the same set of work supports.

Second, although the barriers indicator index proved effective in identifying groups that differed in their ability to translate New Hope supports into sustained increases in earnings, it was not effective in identifying groups with differential ability to translate program supports into many noneconomic outcomes studied in this report.

Barriers in Concept

Because of its underlying assumption that all of its supports were necessary to link full-time work to economic self-sufficiency, the New Hope program did not limit eligibility for any of its benefits according to clients' needs or characteristics. Nonetheless, ethnographic work and prior literature suggested that families did indeed differ in the number and types of problems they faced in getting and keeping jobs. These differences led us to expect that families would have differential success in translating New Hope supports into sustained earnings increases.

All families in the ethnography detailed a variety of struggles that they faced in their labor market efforts, which fell into several distinct categories. To describe the categories we thought were important, we generated a list of potential barriers that we saw in fieldwork and previous literature.[1] The preliminary list of barriers was long and wide-ranging, involving such factors as poor physical health, drug or alcohol abuse, lack of access to transportation, poor mental health, domestic violence, family stress, problems in arranging child care, prior arrest record, as well as low levels of education and work skills.

Furthermore, we observed that families with multiple barriers tended to struggle more than those with fewer barriers, regardless of the particular types of barriers they faced. Among participants not employed when they entered the New Hope program, both controls and experimentals with few barriers to employment appeared to have an easier time finding and maintaining steady work in job-rich Milwaukee.

The ethnography suggested that a middle group of families — those with few barriers — might be best able to make the changes needed to translate New Hope supports into sustained earnings increases. For example, one mother indicated that a primary problem in maintaining her employment was arranging affordable child care. Another had arthritis that restricted the amount of time she could stand each day and experienced problems finding either a permanent job or temporary work that would accommodate her medical needs. Sustaining employment was often complicated by unexpected problems such as harassment by coworkers or sickness in the family, and it was undermined by an ongoing struggle to seek out private and public resources that would help participants to support their family.

Fieldworkers also noted that the greater the number of problems, the harder it was for participants to arrange their subsequent work experiences in a way that increased their earnings. For example, some mothers with even three obstacles (lack of prior work experience, the cost of child care, and ongoing depression) had to maintain employment. Similarly, other parents faced the need to find a job despite the difficulties of not having a GED or high school diploma, needing to arrange care for several children, and coping with an abusive domestic partner. Although families with multiple barriers entered the workforce, used New Hope benefits, and struggled to provide for their families, overall they appeared less capable of translating program supports into earnings increases throughout the program's first two years.

In sum, preliminary fieldwork suggested the utility of a three-way split to capture differential program impacts on earnings: families with few barriers, who did not appear to need New Hope supports to sustain employment and improve earnings in the job-rich Milwaukee labor market; families with moderate barriers, for whom New Hope supports might be most important; and families with multiple barriers, for whom a New Hope-style package of work supports might be insufficient to increase earnings. By counting the number of cases that fit this profile within the ethnographic sample, fieldworkers collectively arrived at a rough estimate of the proportion of New Hope participants with multiple barriers that was as high as 15-20 percent of all participants.

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[1] Danziger et al., 1998.

Operationalizing the Barrier Indicator Index

Information gathered at random assignment was insufficient to measure most of the barriers we had noted in fieldwork and the literature. However, we were able to capture six relevant problem categories: a long period of unemployment (no job in the past six years), many or young children, having been fired from the period of longest employment, not having a high school diploma or GED, not having access to a car, and having an arrest record. Table K.1 lists our definitions, as constructed from the background information form (BIF).

Not being able to operationalize our conceptual list of employment-related barriers led us to rethink the role of the barrier index and thus to realize that each indicator actually represented an important category of potential barriers. For example, having many children might not only reflect difficulties in making child care arrangements, but it might also increase the probability of having a child with health or behavior problems. Alternative definitions of several of the indicators, such as "many or young children," offered only slightly different subgroup sizes and program impacts on employment and earnings, but did not change the overall findings.

To investigate whether the total number of barrier indicators was more important than any individual barrier indicator, we first estimated program impacts among subgroups defined by individual barrier indicators. Table K.2 presents experimental and control differences in earned income over the two years of the program for the individual barrier indicator subgroups.[2] These amounts include earnings from employment, including CSJ wages, but not earnings supplements.

For example, the second to last entry in Column 3 shows that among the 335 participants who had entered the program not employed full time and without access to a car, the experimentals in the full sample earned a statistically significant $1,767 more than controls. Similarly, among the 604 participants not employed full time with access to a car the experimentals earned $1,586 more than controls, and this difference was not statistically significant. Column 2 presents the difference in program impacts between the two barrier indicator subgroups. The values in this column reveal to what extent the barrier indicator subgroups produced differential economic program impacts: differences between families with and without a car amounted to an insignificant $181.

If program effects on earnings depended on whether participants faced a specific barrier, then we would expect to see significant program impacts between those individuals with a given barrier and those not facing the barrier. Columns 2 and 5 show that this was not the case in all four subgroup splits. In other words, there were no important differences in program impacts depending on whether participants had many or young children, an arrest record, no high school diploma or GED, or no access to a car for work.

For the full sample and the CFS sample, there were program-control differences for the child-related barrier and the transportation indicator. However, for the child-related barrier, the pattern of program effects was inconsistent with a barriers interpretation: program impacts on earnings were larger among families without the barrier than among families with the barrier. Although the transportation split produced the expected pattern of greater program impacts for

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[2] Subgroups based on the indicators related to having been fired or not having worked in the past six years were too small to carry out these analyses.

Appendix Table K.1

The New Hope Project

Coding of Selected Barrier Indicators

Selected Questions from Background Information Form	Coded as a Barrier if...
"What was the date you last worked?"	The date given was six or more years prior to the date of random assignment
"Do you have two or more children under 6 years of age or four or more children under 12 years of age?"	The respondent had two or more children under age 4 as determined by reported birth dates
"Why did you leave that job?" (the job you had been employed at for the longest period of time)	The respondent indicated that he/she had been fired from this job
"Since your 16th birthday have you ever been arrested for anything?"	The respondent replied that he/she had been arrested
"Highest degree or diploma earned?"	The respondent had not achieved a HS diploma or a GED
"Do you have access to a car you can use for work?"[a]	The respondent indicated that he/she did not have access to a car for work

NOTE: [a]This item is not part of the final index of barrier indicators.

Appendix Table K.2

The New Hope Project

Two-Year Earnings Impacts for the Full Sample and the Child and Family Study (CFS) Sample, by Selected Barrier Indicators

	Full Sample			CFS Sample		
Barrier Indicator[a]	Program-Control Difference ($)	Program-Control Difference Between Subgroups[b] ($)	Sample Size	Program-Control Difference ($)	Program-Control Difference Between Subgroups[b] ($)	Sample Size
Not employed full time at random assignment and		-2,232			-2,187	
Neither many nor young children	2,168 ***		707	2,176 *		318
Many or young children	-64		232	-11		230
Not employed full time at random assignment and		1,073			-1,554	
No arrest record	1,251		702	1,529		444
Arrest record	2,324 *		236	-25		104
Not employed full time at random assignment and		-191			-163	
HS diploma or GED	1,708 *		510	1,403		293
No HS diploma or GED	1,517		429	1,240		255
Not employed full time at random assignment and		181			1,730	
Access to car	1,586		335	248		225
No access to car	1,767 **		604	1,978 *		323
Employed full time at random assignment	-782		418	423		264

SOURCE: MDRC calculations using data from the Background Information Forms (BIFs) and the Wisconsin unemployment insurance (UI) records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] Data for the categories "not having worked in the past six years" and "having been fired from period of longest employment" are not included owing to their small sample sizes.

[b] This column represents the difference between the barrier indicator subgroups noted in column 4 for the full sample and column 6 for the CFS sample.

families lacking transportation, this was most true for the CFS sample. It puzzled us to see that the difference between the two subgroups in the full sample ($181) was not comparable to that of the CFS sample ($1,730).

Having determined that none of the individual items appeared to be consistently powerful in identifying subgroups with differential ability to translate New Hope supports into sustained gains, we summed the items to create an index of barrier indicators and used the summed index to divide the sample into low, moderate, and high barrier groups. Of special interest was whether the size of the high barrier group could be made to correspond to the 15-20 percent size suggested by the ethnographic work.

Here we found that an index of indicators that included access to a car was problematic. Some 793 participants reported that they did not have access to a car for transportation to work at random assignment. This produced an unbalanced distribution of the sample across categories of the index.[3] More important, the index failed to concentrate program effects in any of the barrier subgroups formed from the index.[4] While not denying that access to a car might constitute an important barrier, we decided to remove the item from the index.

Items in the final list of barriers to employment — a long period of unemployment (no job in the past six years), many or young children, having been fired from the period of longest employment, not having a high school diploma or GED, and having an arrest record — matched well with the New Hope program benefits. The program offered child care and dependent care subsidies for those with eligible children. Several aspects of the program, such as job search assistance and community service jobs, offered help to individuals who might have difficulty obtaining work. Finally, New Hope offered CSJ participants the opportunity to count 10 hours per week of involvement in an educational program toward the 30-hour-work-week eligibility threshold.

Table K.3 shows the distribution of the final barrier index items across the study samples. The lack of a GED or high school diploma is the most frequent single barrier, followed by having many or young children and having been arrested since age 16. Much smaller portions of the sample reported having been fired from the period of longest employment or having been unemployed for the past six years. For the most part, these patterns are similar within each of the barrier indicator subgroups. Furthermore, the size of the groups created by the final index — 20, 28, and 21 percent — in the respective low, moderate, and high barrier subgroups was consistent with our ethnographic work.

Correlations between the barrier items and the index in the full and CFS samples are presented in Table K.4. The table indicates very modest associations among the items, which suggests that the index should not be considered a "latent" measure with many highly correlated indicators, but rather as the sum of indicators, most of which tap different domains. When considered collectively, these indicators affect program impacts in a way that is distinct from and more powerful than the effects of individual items.

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[3] The full distribution of the index with the transportation item was as follows: no barriers, 10 percent; one barrier, 35 percent; two barriers, 33 percent; three barriers, 18 percent; four barriers or more, 4 percent.

[4] Program effects based on an index that includes the transportation item as shown in the bottom panel of Table K.5.

Appendix Table K.3

The New Hope Project

Distribution of Selected Barrier Indicators for the Full Sample and the Child and Family Study (CFS) Sample, by Full-Time Employment Status at Random Assignment

					Not Employed Full Time at Random Assignment			
	Full Sample		Employed Full Time at Random Assignment		Moderate Barriers[a]		High Barriers[b]	
Barrier Indicator	% With Barrier	Sample Size	% With Barrier	Sample Size	%With Barrier	Sample Size	%With Barrier	Sample Size
No job in past six years	3.7	50	0.0	0	3.6	14	12.7	36
Many or young children	24.8	337	25.1	105	21.2	82	52.5	149
Fired from period of longest employment	6.4	87	5.0	21	4.1	16	17.6	50
Arrest record	23.5	319	19.9	83	22.8	88	52.1	148
No HS diploma/GED	42.5	577	35.4	148	48.2	186	84.9	241
Sample size[c]		*1357*		*418*		*386*		*284*

					Not Employed Full Time at Random Assignment			
	CFS Sample		Employed Full Time at Random Assignment		Moderate Barriers[a]		High Barriers[b]	
Barrier Indicator	% With Barrier	Sample Size	% With Barrier	Sample Size	%With Barrier	Sample Size	%With Barrier	Sample Size
No job in past six years	3.9	32	0.0	0	3.6	8	12.6	24
Many or young children	41.3	335	39.8	105	35.7	80	78.0	149
Fired from period of longest employment	5.0	41	4.2	11	3.6	8	11.5	22
Arrest record	18.2	148	16.7	44	15.2	34	36.6	70
No HS diploma/GED	42.6	346	34.5	91	42.0	94	83.8	160
Sample size[d]		*812*		*264*		*224*		*191*

SOURCE: MDRC calculations using data from the Background Information Forms (BIFs).

NOTES: Sample sizes for the employment subgroups may not add up to the full sample because of missing data.

[a] This category is composed of participants who have one of the five barriers in our barrier indicator index.

[b] This category is composed of participants who have two or more of the five barriers in our barrier indicator index.

[c] The sample size of the omitted category that was not working full time and had none of the five barriers in the barrier indicator index is 265.

[d] The sample size of the omitted category that was not working full time and had none of the five barriers in the barrier indicator index is 132.

Appendix Table K.4

The New Hope Project

Correlations Between Selected Barrier Indicators for the Full Sample and the Child and Family Study (CFS) Sample: Pearson Coefficients (P-Values)

Measure	Barrier Index	No Job in Past Six Years	Many or Young Children	Fired from Period of Longest Employment	Arrest Record	No High School Diploma or GED
Full Sample						
Barrier index	-					
No Job in Past Six Years	0.243 (.000)	-				
Many or young children	0.599 (.000)	-0.003 (.941)	-			
Fired from period of longest employment	0.241 (.000)	-0.018 (.613)	-0.056 (.110)	-		
Arrest record	0.437 (.000)	0.036 (.312)	-0.026 (.454)	0.051 (.144)	-	
No high school diploma or GED	0.624 (.000)	0.017 (.619)	0.108 (.002)	0.006 (.864)	-0.020 (.574)	-
CFS Sample						
Barrier index	-					
No Job in Past Six Years	0.237 (.000)	-				
Many or young children	0.488 (.000)	0.005 (.846)	-			
Fired from period of longest employment	0.316 (.000)	0.013 (.641)	-0.067 (.014)	-		
Arrest record	0.485 (.000)	0.012 (.672)	-0.089 (.001)	0.089 (.001)	-	
No high school diploma or GED	0.629 (.000)	0.006 (.829)	0.071 (.009)	0.024 (.369)	0.005 (.860)	-

SOURCE: MDRC calculations using data from the Background Information Forms (BIFs).

Table K.5 presents sample sizes and program-control group differences for two-year earnings for the barrier index and repeats this information for the index that includes the transportation indicator. Strong positive program impacts are concentrated among the middle group of families with moderate (that is, only one of the five) barriers in our final index. New Hope program group members with low or high numbers of barriers did not earn significantly more than their control group counterparts.[5] It is important to keep in mind that while this index was useful in understanding patterns of sustained earning gains, analyses scattered across various chapters in the report failed to show that it was useful for distinguishing benefit use, overall levels of employment, or the ability to profit from New Hope supports in other ways.

Summary

Ethnographic work and prior literature led us to suspect barrier indicators gathered at random assignment might help identify the groups that were best and least able to translate New Hope supports into sustained earnings gains. The results — that individuals with moderate barriers showed the biggest earnings gain — convince us that even the volunteer New Hope sample was heterogeneous in its ability to sustain earnings increases, despite being offered the same set of benefits.

We return to our cautionary notes. First, since the indicators represent relevant categories rather than precisely defined barriers, the index should not be viewed as a policy tool for identifying subgroups likely to profit differentially from New Hope-type programs. Such policy tools would need to be developed from more complete and precise measures and tailored to the circumstances of the program under consideration.

Second, an individual's circumstances change with time. Therefore, a family's score on the index combines continuing and transitory components. This also argues for caution in thinking of the index as a policy tool. Finally, we should also note that the pattern of program effects found with the barrier indicator index may not generalize to participants in New Hope-style programs in less favorable labor markets. In particular, participants not employed full time at random assignment and facing few barriers may be more likely to need program supports to sustain earnings increases in an environment with fewer job openings.

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[5] We investigated whether participants in the high barrier group had smaller earnings impacts than the moderate barrier group because of a higher rate of CSJ take-up or use. We found no significant differences between these two groups in either the CSJ take-up or earnings.

Appendix Table K.5

The New Hope Project

Two-Year Earnings Impacts for the Full Sample and the Child and Family Study (CFS) Sample, by the Barrier Index With and Without the Transportation Indicator

	Full Sample			CFS Sample		
Measure	% of Full Sample	Program-Control Difference for Two-Year Earnings ($)	Sample Size	% of Full Sample	Program-Control Difference for Two-Year Earnings ($)	Sample Size
Barrier Index						
Employed full time at random assignment	30.8	-782	418	32.5	423	264
Not employed full time at random assignment and						
Low barriers[a]	19.5	797	265	16.3	290	132
Moderate barriers[b]	28.4	2,841 ***	386	27.6	2,537 *	224
High barriers[c]	20.9	1,095	284	23.5	104	191
Barrier index (including transportation)						
Employed full time at random assignment	30.8	-782	418	32.5	423	264
Not employed full time at random assignment and						
Low barriers[a]	6.7	27	91	6.3	-1,254	51
Moderate barriers[b]	23.9	1,531	325	22.7	1,525	184
High barriers[c]	38.2	1,657 *	519	38.4	1,305	312

SOURCE: MDRC calculations using data from the Background Information Forms (BIFs) and the Wisconsin unemployment insurance (UI) records.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] This category is composed of participants who have none of the five barriers in the barrier indicator index.

[b] This category is composed of participants who have one of the five barriers in the barrier indicator index.

[c] This category is composed of participants who have two or more of the five barriers in the barrier indicator index.

Appendix L

Auxiliary Tables for Chapters 3 to 7

Appendix Table L3.1

The New Hope Project

Selected Characteristics, Opinions, and Employment History of Program Group Members at Random Assignment, by Use of Any New Hope Financial Benefit Within 24 Months After Random Assignment

Sample and Characteristic by Measure	Program Group	Used a Benefit[a]	Never Used a Benefit
Selected Characteristics from Background Information Form			
Demographic characteristic			
Gender (%)			
Female	71.4	70.6	74.5
Male	28.6	29.4	25.5
Age (%)			
18-19	6.1	5.4	8.5
20-24	22.3	22.7	20.6
25-34	38.6	40.0	33.3
35-44	24.5	23.5	28.4
45-54	5.5	5.8	4.3
55 or over	3.1	2.6	5.0
Average age	31.9	31.8	32.3
Race/ethnicity (%)			**
African-American, non-Hispanic	51.8	52.9	47.5
Hispanic	25.8	24.6	30.5
White, non-Hispanic	12.8	12.3	14.9
Asian/Pacific Islander	5.6	6.7	1.4
Native American/Alaskan Native	4.0	3.5	5.7
Resides in neighborhood (%)			***
Northside	51.8	54.8	40.4
Southside	48.2	45.3	59.6
Household status			
Shares household with[b] (%)			
Spouse	12.0	13.4	6.4 **
Girlfriend/boyfriend	7.7	7.8	7.1
Children (own or partner's)	69.3	71.3	61.7 **
Others	22.9	20.6	31.9 ***
Lives alone (%)	12.8	13.2	11.4
Marital status (%)			
Never married	59.4	58.5	63.1
Married, living with spouse	12.5	14.0	7.1
Married, living apart	9.4	9.1	10.6
Separated, divorced, or widowed	18.6	18.4	19.2
Number of children in household[c] (%)			
None	29.6	27.4	38.3 *
1 child	19.6	20.3	17.0
2 children	20.2	21.0	17.0
3 or more	30.5	31.3	27.7
Among households with children,			
Age of youngest child[d] (%)			
2 or under	44.9	46.9	35.6
3-5	24.5	23.9	27.6
6 or over	30.6	29.2	36.8

(continued)

Appendix Table L3.1 (continued)

Sample and Characteristic by Measure	Program Group	Used a Benefit[a]	Never Used a Benefit
For CFS households, age of child[e]			
1-3 (12-47 months)	57.1	60.4	54.9
4-10 (48-131 months)	74.0	72.0	77.5
Household has second potential wage earner (%)	13.1	14.9	6.4 ***
Labor force status			
Ever employed (%)	95.9	96.3	94.3
Ever employed full time (%)	85.7	86.9	80.9 *
For longest full-time job, among those ever employed full time, (N=580)			
Average length of job (months)	38.5	37.5	42.7
Benefits provided (%)			
Paid vacation	50.9	52.4	44.7
Paid sick leave	39.7	39.7	39.5
Medical coverage (individual)	29.1	29.2	29.0
Medical coverage (family)	27.4	28.1	24.6
Coverage by a union	14.3	14.6	13.2
Pension/retirement	21.6	21.9	20.2
Child care	1.2	1.1	1.8
Tuition reimbursement	8.5	8.6	7.9
Approximate earnings in past 12 months (%)			***
None	30.2	26.4	44.7
$1-999	17.4	18.3	14.2
$1,000-4,999	24.2	24.2	24.1
$5,000-9,999	16.1	18.3	7.8
$10,000-14,999	8.3	9.3	4.3
$15,000 or above	3.8	3.5	5.0
Current employment status (%)			***
Employed	37.9	43.2	17.7
Not employed	54.7	49.9	73.1
Missing	7.4	6.9	9.2
Among those currently employed,			
Average hourly wage ($)	6.29	6.30	6.24
Average hours worked per week (%)			*
1-29	22.7	20.3	44.0
30 or more	77.3	79.7	56.0
Public assistance status			
Currently receiving AFDC, General Assistance, Food Stamps, or Medicaid (%)			
Any type	61.1	59.8	66.0
AFDC	44.3	41.9	53.2 **
General Assistance	5.2	5.4	4.3
Food Stamps	56.1	55.5	58.2
Medicaid	49.4	48.0	54.6
Total prior AFDC/GA cash assistance[f] (%)			
None	25.0	24.1	28.4
Less than 2 years	30.5	30.3	31.2
2 years or more but less than 5 years	20.0	20.6	17.7
5 years or more	24.6	25.1	22.7
Resided as a child in a household receiving AFDC (%)	35.5	37.4	28.4

(continued)

Appendix Table L3.1 (continued)

Sample and Characteristic by Measure	Program Group	Used a Benefit[a]	Never Used a Benefit
Educational status			
Received high school diploma or GED[g] (%)	58.1	60.2	50.4 *
Highest grade completed in school (average)	10.8	10.8	10.8
Currently enrolled in any type of education or training (%)	30.2	28.7	36.2 *
Other factors related to obtaining/retaining employment			
Have access to a car (%)	41.0	42.6	34.8 *
Ever arrested for anything since 16th birthday (%)	21.1	21.4	19.9
Number of moves in past 2 years (%)			
None	31.1	30.7	32.6
1	30.8	31.5	28.4
2 or more	33.0	32.6	34.8
Missing	5.0	5.2	4.3
Sample size	*678*	*537*	*141*
Opinions and Employment History from Private Opinion Survey			
Client-reported employment history			
Number of full-time jobs (30 hours or more a week) held in the past 5 years (%)			*
None	20.2	17.6	31.1
1	31.3	31.2	32.0
2 or 3	33.8	36.5	22.3
4 or more	14.7	14.8	14.6
When unemployed, length of time it took to find new work (%)			
1 month or less	31.9	32.5	29.2
2-6 months	38.9	39.5	36.5
More than 6 months	12.9	13.5	10.4
Don't know	16.3	14.5	24.0
Client-reported situations that affect employment			
Those who reported health problems that limit the type of work they can do (%)	14.5	13.6	18.3
Those who have: (%)			
Ever been evicted from an apartment or house over the past 10 years	16.8	16.1	20.0
Ever been homeless	22.9	23.2	22.0
Ever quit a job	59.8	59.8	59.6
Client-reported education and training preferences			
Those who agreed a lot that they wanted to: (%)			
Go to school part time to study basic reading and math	32.1	32.9	28.7
Go to school part time to get a GED	31.8	31.9	31.6
Get on-the-job training for 1-3 months in a type of work that they have not tried before	56.3	57.6	51.0
Get on-the-job training so that they would know what it is like to work	47.9	46.3	54.4 ***
Sample size	*542*	*435*	*107*

(continued)

Appendix Table I.3.1 (continued)

SOURCES: MDRC calculations from Background Information Forms (BIFs) for 1,357 sample members randomly assigned from August 1994 through December 1995. Five additional sample members who were missing these forms were excluded from the sample. MDRC calculations from Private Opinion Survey (POS) data for sample members randomly assigned from August 1994 through December 1995. The POS questions were voluntarily answered by 1,079 sample members (79 percent) just prior to random assignment.

NOTES: Except for two BIF items, the nonresponse rate for all specific characteristics was less than 1 percent and therefore these missings were excluded from the calculations. For the two characteristics, for which the nonresponse rate ranged from 5 to 7 percent for the full sample, the nonresponses are shown in the table as missings. Among the 542 POS responders, missings for individual questions ranged from 2 to 15 percent.

Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * =10 percent.

A t-test or chi-square test was applied to differences between the characteristics of the last two columns to assess whether apparent differences in these characteristic were statistically significant. When several rows in the table describe the same underlying characteristic (that is, are not independent of one another), a single test must be used. The result of this test (p-value or asterisks) is shown on the line describing the characteristic.

Actual sample sizes for individual measures may vary as a result of missing data.

Distributions may not add to 100.0 percent because of rounding.

[a] Used any type of New Hope financial benefit, i.e., earnings supplement, child care assistance, or health insurance.

[b] Because some sample members may be in more than one category, totals may not equal all categories summed.

[c] Includes all dependents under age 18.

[d] Includes all dependents under age 18.

[e] Some CFS households have children in both categories.

[f] This refers to the total number of months accumulated from at least one spell on an individual's own AFDC or GA case or the case of another adult in the household.

[g] The GED credential is given to those who pass the GED test and is intended to signify knowledge of basic high school subjects.

Appendix Table L3.2

The New Hope Project

Use of Benefits and Services for Sample Members in the Child and Family Study (CFS) Within 24 Months After Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CFS Sample							
In the past 24 months, ever received:							
Earnings supplement[c]	77.5	n/a	n/a	n/a	n/a	n/a	n/a
Health insurance, any type	93.5	85.5	8.0 ***	0.002	9.3	0.20	0.018 **
New Hope plan	37.4	n/a	n/a	n/a	n/a	n/a	n/a
Medicaid[d]	60.9	67.4	-6.5 *	0.077	-9.6	-0.13	0.589
Employer plan[e]	38.3	37.9	0.4	0.918	1.1	0.01	0.430
Child care assistance, any type	59.4	41.0	18.5 ***	0.000	45.1	0.39	0.083 *
New Hope subsidy	50.0	n/a	n/a	n/a	n/a	n/a	n/a
Welfare department subsidy	15.6	41.4	-25.8 ***	0.000	-62.4	-0.61	0.000 ***
Other subsidy[f]	1.2	0.3	0.8	0.341	240.4	0.10	n/a
Paid community service jobs (CSJs)[g]	31.5	n/a	n/a	n/a	n/a	n/a	n/a
Sample size	*289*	*301*					
Non-CFS Sample							
In the past 24 months, ever received:							
Earnings supplement[c]	69.0	n/a	n/a	n/a	n/a	n/a	
Health insurance, any type	79.5	60.4	19.1 ***	0.000	31.6	0.48	
New Hope plan	46.3	n/a	n/a	n/a	n/a	n/a	
Medicaid[d]	28.3	31.8	-3.5	0.397	-11.0	-0.07	
Employer plan[e]	29.3	33.4	-4.1	0.321	-12.3	-0.09	
Child care assistance, any type	11.4	2.6	8.8 **	0.024	339.9	0.18	
New Hope subsidy	6.5	n/a	n/a	n/a	n/a	n/a	
Welfare department subsidy	2.9	5.0	-2.1	0.575	-41.8	-0.05	
Other subsidy[f]	0.0	0.0	n/a	n/a	n/a	n/a	
Paid community service jobs (CSJs)[g]	31.5	n/a	n/a	n/a	n/a	n/a	
Sample size	*264*	*230*					

(continued)

Appendix Table L3.2 (continued)

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Question on earnings supplements asked only of New Hope program group. No comparable benefit existed outside New Hope.

[d] Question on Medicaid coverage includes spouse/partner and children.

[e] Coverage under employer plan applies to current or most recent job since random assignment. This question was asked only if respondent was currently employed at the time of the survey or in the past month.

[f] Examples include subsidies from other community-based organizations or the school system. It does not include financial help from family members.

[g] Question on paid CSJs asked only of New Hope program group. No comparable benefit existed outside New Hope.

Appendix Table L3.3

The New Hope Project

Use of Other Public Assistance Programs for Sample Members in the Child and Family Study (CFS) Within 24 Months After Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CFS Sample							
In prior month to survey, received:							
AFDC	24.3	29.0	-4.7	0.183	-16.2	-0.12	0.692
Food Stamps	45.7	52.3	-6.5 *	0.086	-12.5	-0.13	0.506
Supplemental Security Income	10.8	13.4	-2.6	0.326	-19.5	-0.08	0.138
General Assistance[c]	1.4	0.6	0.8	0.348	125.6	0.09	0.434
Energy (heating) assistance[d]	52.1	52.7	-0.7	0.870	-1.3	-0.01	0.514
Renter's assistance/Section 8/public housing[e]	10.7	14.6	-3.9	0.157	-26.8	-0.13	0.359
Special Supplemental Nutrition Program for Women, Infants, and Children	29.2	34.2	-5.1	0.143	-14.8	-0.12	0.187
Sample size	*288*	*302*					
Non-CFS Sample							
In prior month to survey, received:							
AFDC	11.8	14.7	-2.9	0.333	-19.6	-0.07	
Food Stamps	24.5	27.4	-2.9	0.458	-10.6	-0.06	
Supplemental Security Income	13.2	10.0	3.2	0.269	32.3	0.10	
General Assistance[c]	0.4	0.4	0.0	0.985	-2.6	0.00	
Energy (heating) assistance[d]	29.1	33.6	-4.5	0.291	-13.4	-0.09	
Renter's assistance/Section 8/public housing[e]	8.2	8.7	-0.5	0.841	-5.8	-0.02	
Special Supplemental Nutrition Program for Women, Infants, and Children	20.5	19.1	1.3	0.699	6.8	0.03	
Sample size	*259*	*231*					

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Although General Assistance ended in September 1995 in Wisconsin, some limited noncash benefits were available.

[d] Question on energy (heating) assistance covers past 24 months.

[e] Questions asked whether respondent currently received renter's assistance or Section 8 or lived in public housing.

Appendix Table L3.4

The New Hope Project

Use of Employment and Education Services and Social Support for Sample Members in the Child and Family Study (CFS) Within 24 Months After Random Assignment

Type of Program or Service	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CFS Sample							
In the past 24 months, ever attended:							
Job club	36.3	38.1	-1.8	0.638	-4.8	-0.04	0.034 ††
ESL	1.8	1.6	0.1	0.898	8.3	0.01	0.681
Adult education/GED/high school diploma	11.4	17.3	-5.9 **	0.028	-34.0	-0.18	0.017 ††
College	8.1	7.8	0.4	0.863	4.9	0.01	0.700
Vocational training	15.2	23.7	-8.6 ***	0.009	-36.1	-0.23	0.027 ††
Unpaid work experience	9.2	12.5	-3.3	0.181	-26.7	-0.13	0.925
In the past 24 months, earned:							
Any educational credential	28.4	31.9	-3.5	0.367	-10.9	-0.08	0.350
Training certificate or trade license	25.2	27.7	-2.5	0.491	-9.2	0.06	0.655
In the past 24 months, ever received:							
Economic/practical advice	29.4	19.0	10.4 ***	0.003	54.5	0.26	0.764
Emotional support/counseling	32.5	17.3	15.1 ***	0.000	87.5	0.36	0.473
Sample size	*289*	*302*					
Non-CFS Sample							
In the past 24 months, ever attended:							
Job club	23.4	14.2	9.2 ***	0.008	64.7	0.20	
ESL	2.7	3.3	-0.6	0.681	-18.5	-0.04	
Adult education/GED/high school diploma	10.1	7.3	2.7	0.265	37.4	0.08	
College	7.0	5.5	1.6	0.462	28.3	0.06	
Vocational training	13.2	11.9	1.3	0.668	10.9	0.03	
Unpaid work experience	1.5	4.6	-3.1 **	0.045	-67.0	-0.12	
In the past 24 months, earned:							
Any educational credential	16.6	15.3	1.3	0.703	8.2	0.03	
Training certificate or trade license	13.5	13.9	-0.4	0.896	-2.9	0.01	
In the past 24 months, ever received:							
Economic/practical advice	18.0	9.1	9.0 ***	0.004	98.9	0.23	
Emotional support/counseling	30.6	11.8	18.8 ***	0.000	158.7	0.44	
Sample size	*264*	*231*					

(continued)

Appendix Table L3.4 (continued)

SOURCE: New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Appendix Table L4.1

The New Hope Project

Two-Year Impacts on Employment and Earnings for Sample Members in the Child and Family Study (CFS)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Child and Family Study Sample							
Number of quarters employed							
Year 1	3.0	2.6	0.5 ***	0.000	19.4	0.34	0.125 [c]
Year 2	3.0	2.7	0.3 ***	0.006	10.7	0.19	0.102
Both years	6.1	5.3	0.8 ***	0.000	14.9	0.30	0.068 †
Earnings ($)							
Year 1	7,046	5,938	1,108 ***	0.003	18.7	0.18	0.027 ††
Year 2	8,259	7,908	351	0.456	4.4	0.05	0.291
Both years	15,305	13,846	1,459 *	0.055	10.5	0.11	0.089 †
Sample size	*366*	*378*					
CFS, Employed Full Time at Random Assignment							
Number of quarters employed							
Year 1	3.5	3.4	0.1	0.460	3.0	0.07	0.002 †††
Year 2	3.5	3.3	0.1	0.411	3.9	0.08	0.267
Both years	7.0	6.8	0.2	0.365	3.5	0.09	0.019 ††
Earnings ($)							
Year 1	10,819	10,091	728	0.311	7.2	0.12	0.523
Year 2	11,602	11,349	254	0.776	2.2	0.03	0.891
Both years	22,421	21,439	982	0.500	4.6	0.08	0.693
Sample size	*112*	*110*					
CFS, Not Employed Full Time at Random Assignment							
Number of quarters employed							
Year 1	2.8	2.2	0.7 ***	0.000	31.0	0.46	
Year 2	2.8	2.5	0.4 ***	0.008	14.6	0.23	
Both years	5.7	4.7	1.0 ***	0.000	22.3	0.39	
Earnings ($)							
Year 1	5,449	4,191	1,258 ***	0.003	30.0	0.20	
Year 2	6,844	6,447	397	0.478	6.2	0.05	
Both years	12,293	10,637	1,655 *	0.063	15.6	0.13	
Sample size	*254*	*268*					

(continued)

Appendix Table L4.1 (continued)

SOURCES: MDRC calculations using data from the New Hope Project MIS client-tracking database and Wisconsin unemployment insurance (UI) records.

NOTES: A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] The p-values shown in this box indicate the significance of the difference in impacts between the entire New Hope sample (shown in Table 4.1) and the CFS sample (shown here). The usual p-values for differences across the panels of this table are shown in the second panel instead.

Appendix Table I.5.1

The New Hope Project

Two-Year Impacts on Income from Selected Sources for Sample Members in the Child and Family Study (CFS), by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Child and Family Study Sample							
In year 1, income from ($)							
Earnings	7,046	5,938	1,108 ***	0.003	18.7	0.18	0.027 ††[c]
EIC benefits	1,055	1,017	37	0.668	3.7	0.03	0.806
Earnings supplement	502	0	502	n/a	n/a	n/a	n/a
AFDC	3,491	3,583	-92	0.555	-2.6	-0.03	0.724
Food Stamps	2,231	2,206	25	0.774	1.1	0.02	0.321
All of the above	14,324	12,739	1,585 ***	0.000	12.4	0.22	0.024 ††
In year 2, income from ($)							
Earnings	8,259	7,908	351	0.456	4.4	0.05	0.291
EIC benefits	1,410	1,315	95	0.385	7.2	0.07	0.366
Earnings supplement	446	0	446	n/a	n/a	n/a	n/a
AFDC	1,978	2,207	-229	0.171	-10.4	-0.10	0.211
Food Stamps	1,715	1,660	55	0.591	3.3	0.04	0.821
All of the above	13,808	13,086	723	0.140	5.5	0.09	0.548
Sample size	*366*	*378*					
CFS, Employed Full Time at Random Assignment							
In year 1, income from ($)							
Earnings	10,819	10,091	728	0.311	7.2	0.12	0.523
EIC benefits	1,491	1,499	-8	0.964	-0.6	-0.01	0.914
Earnings supplement	612	0	612	n/a	n/a	n/a	n/a
AFDC	1,652	1,908	-256	0.300	-13.4	-0.09	0.372
Food Stamps	1,502	1,585	-83	0.590	-5.2	-0.05	0.329
All of the above	16,075	15,085	990	0.182	6.6	0.14	0.319
In year 2, income from ($)							
Earnings	11,602	11,349	254	0.776	2.2	0.03	0.891
EIC benefits	1,530	1,745	-215	0.305	-12.3	-0.15	0.087 †
Earnings supplement	505	0	505	n/a	n/a	n/a	n/a
AFDC	798	1,604	-806 ***	0.001	-50.3	-0.35	0.017 ††
Food Stamps	1,098	1,519	-421 **	0.018	-27.7	-0.28	0.003 †††
All of the above	15,534	16,219	-686	0.429	-4.2	-0.09	0.065 †
Sample size	*112*	*110*					

(continued)

Appendix Table L5.1 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CFS, Not Employed Full Time at Random Assignment							
In year 1, income from ($)							
Earnings	5,449	4,191	1,258 ***	0.003	30.0	0.20	
EIC benefits	848	834	14	0.879	1.7	0.01	
Earnings supplement	465	0	465	n/a	n/a	n/a	
AFDC	4,294	4,273	21	0.913	0.5	0.01	
Food Stamps	2,556	2,457	99	0.352	4.0	0.06	
All of the above	13,611	11,749	1,862 ***	0.000	15.9	0.26	
In year 2, income from ($)							
Earnings	6,844	6,447	397	0.478	6.2	0.05	
EIC benefits	1,349	1,145	205	0.110	17.9	0.15	
Earnings supplement	431	0	431	n/a	n/a	n/a	
AFDC	2,456	2,481	-24	0.909	-1.0	-0.01	
Food Stamps	1,967	1,732	235 *	0.064	13.6	0.15	
All of the above	13,047	11,797	1,251 **	0.036	10.6	0.16	
Sample size	*254*	*268*					

SOURCES: MDRC calculations using data from the New Hope Background Information Form (BIF), New Hope Project MIS client-tracking database, Wisconsin unemployment insurance (UI) records, and Wisconsin tax data.

NOTES: The CFS sample includes all New Hope sample members (except Asian and Pacific Islander families) whose household included at least one child in the 1 to 10 age range at the time of random assignment.

A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

N/a = not applicable.

Rounding and regression adjustment may cause slight discrepancies in calculating sums and differences.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] The p-values shown in this box indicate the significance of the difference in impacts between the entire New Hope sample (not shown) and the CFS sample (shown here). The usual p-values for differences across the panels of this table are shown in the second panel instead.

Appendix Table L5.2

The New Hope Project

Two-Year Impacts on Material Hardship and Housing Status for Sample Members in the Child and Family Study (CFS), by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Child and Family Study Sample							
During follow-up, reported any (%):							
Unmet medical needs	17.8	18.9	-1.1	0.731	-5.9	-0.03	0.468
Unmet dental needs	25.8	29.5	-3.7	0.318	-12.6	-0.08	0.640
Utility shutoffs	43.8	43.1	0.8	0.852	1.8	0.02	0.676
Periods without health insurance	43.9	53.6	-9.7 **	0.018	-18.2	-0.20	0.868
Food insufficiency	12.2	9.2	3.1	0.231	33.4	0.10	0.273
Overcrowding	14.3	16.4	-2.2	0.453	-13.2	-0.06	0.754
Other housing problems	50.3	51.2	-0.9	0.820	-1.8	-0.02	0.194
Number of times answered "yes" to any of the above	2.1	2.2	-0.1	0.308	-5.8	-0.08	0.258
Owns home (%)	8.7	7.3	1.4	0.501	19.8	0.05	0.801
Dependent on others for housing (%)	10.2	10.8	-0.6	0.810	-5.6	-0.02	0.207
Housing expenses last month ($)	402	395	7.0	0.646	1.8	0.04	0.553
Sample size	*289*	*302*					
CFS, Employed Full Time at Random Assignment							
During follow-up, reported any (%):							
Unmet medical needs	16.1	12.6	3.5	0.509	27.8	0.09	
Unmet dental needs	22.9	23.2	-0.3	0.969	-1.1	-0.01	
Utility shutoffs	40.2	35.7	4.4	0.543	12.4	0.09	
Periods without health insurance	46.9	55.1	-8.2	0.287	-14.9	-0.16	
Food insufficiency	12.6	5.1	7.5 *	0.078	146.7	0.24	
Overcrowding	8.3	10.6	-2.3	0.613	-21.8	-0.07	
Other housing problems	47.8	40.1	7.6	0.309	19.1	0.15	
Number of times answered "yes" to any of the above	2.0	1.8	0.1	0.519	7.5	0.09	
Owns home (%)	10.9	8.9	2.0	0.651	22.2	0.07	
Dependent on others for housing (%)	7.8	13.0	-5.1	0.255	-39.6	-0.13	
Housing expenses last month ($)	433	415	18.3	0.567	4.4	0.11	
Sample size	*95*	*87*					

(continued)

Appendix Table I.5.2 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
CFS, Not Employed Full Time at Random Assignment							
During follow-up, reported any (%):							
Unmet medical needs	19.5	20.8	-1.3	0.743	-6.4	-0.03	
Unmet dental needs	27.7	31.7	-3.9	0.391	-12.4	-0.09	
Utility shutoffs	46.3	45.6	0.7	0.881	1.6	0.02	
Periods without health insurance	42.9	52.6	-9.7 *	0.051	-18.5	-0.19	
Food insufficiency	12.4	10.7	1.7	0.605	15.5	0.05	
Overcrowding	17.7	18.2	-0.5	0.897	-2.6	-0.01	
Other housing problems	51.7	55.8	-4.1	0.419	-7.3	-0.08	
Number of times answered "yes" to any of the above	2.2	2.4	-0.2	0.306	-6.8	-0.11	
Owns home (%)	7.5	6.8	0.7	0.766	10.6	0.02	
Dependent on others for housing (%)	11.4	9.7	1.7	0.575	17.7	0.04	
Housing expenses last month ($)	386	389	-3.2	0.854	-0.8	-0.02	
Sample size	*194*	*214*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: The CFS sample includes all New Hope sample members (except Asian and Pacific Islander families) whose households included at least one child in the age range of 1 to 10 years (12 to 131 months) at the time of random assignment.

A two-tailed t-test was used to assess the statistical significance of each difference in characteristics between the program group and the control group. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, * = 10 percent.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, this variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, † = 10 percent.

Appendix Table L6.1

The New Hope Project

Two-Year Impacts on Child Care Outcomes for Children in the Child and Family Study (CFS), by Full-Time Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Employed Full-Time at Random Assignment				
Since random assignment, children who were ever in: (%)							
Formal care	64.0	55.3	8.7	.163	15.7	0.17	.745
Head Start	19.5	18.1	1.4	.783	7.5	0.04	.591
Center-based care	38.9	35.5	3.4	.614	9.4	0.07	.165
School-based extended day care	19.8	12.1	7.7	.156	63.3	0.26	.556
Any other program	4.1	5.9	-1.8	.577	-30.7	-0.08	.316
Home-based care[c]	69.7	72.4	-2.7	.855	-3.7	-0.06	.895
By nonhousehold or nonfamily member	21.0	20.9	0.1	.950	0.5	0.00	.350
By household or family member, not primary caregiver	56.7	63.7	-6.9	.521	-10.9	-0.14	.694
Number of months spent in:							
Formal care							
Head Start	1.8	2.5	-0.7	.305	-28.1	-0.15	.456
Center-based care	7.1	4.3	2.8 **	.021	66.2	0.35	.991
School-based extended day care	2.3	1.3	1.0	.124	80.6	0.24	.676
Any other program	1.2	0.4	0.8	.169	196.0	0.19	.037 ††
Home-based care[c]							
By nonhousehold or nonfamily member	2.4	2.0	0.4	.691	19.5	0.08	.644
By household or family member, not primary caregiver	7.2	10.5	-3.2 *	.070	-30.9	-0.33	.012 ††
Sample size	*150*	*127*					
			Not Employed Full-Time at Random Assignment				
Since random assignment, children who were ever in: (%)							
Formal care	55.2	44.5	10.7 **	.019	24.1	0.21	
Head Start	16.3	17.8	-1.5	.539	-8.6	-0.04	
Center-based care	37.5	25.2	12.3 ***	.005	49.0	0.26	
School-based extended day care	9.5	4.7	4.8 **	.043	102.6	0.16	
Any other program	3.8	8.9	-5.2 **	.030	-57.9	-0.22	
Home-based care[c]	60.4	64.0	-3.6	.340	-5.6	-0.08	
By nonhousehold or nonfamily member	18.5	24.0	-5.5	.149	-23.0	-0.14	
By household or family member, not primary caregiver	49.2	53.2	-4.0	.342	-7.6	-0.08	

(continued)

Appendix Table L6.1 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Number of months spent in:							
Formal care							
Head Start	1.5	1.7	-0.1	.606	-8.7	-0.03	
Center-based care	5.4	2.6	2.8 ***	.000	109.5	0.35	
School-based extended day care	1.3	0.5	0.8 **	.041	141.3	0.17	
Any other program	0.5	1.1	-0.6	.168	-53.4	-0.14	
Home-based care[c]							
By nonhousehold or nonfamily member	1.6	1.6	0.0	.978	1.9	0.01	
By household or family member, not primary caregiver	7.1	6.6	0.5	.644	8.1	0.05	
Sample size	*294*	*344*					

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Estimates were regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. A two-tailed t-test was applied to differences between the program and control groups. Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts presented for different groups in this table were significantly different from one another. This p-value represents the probability that apparent variation in impacts across different panels of the table is simply the result of random chance. If this probability is less than 10 percent, the variation of impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

[c] Home-based care includes both regulated and unregulated care in residential settings.

Appendix Table L7.1

The New Hope Project

Two-Year Impacts on Education for Children in the Child and Family Study (CFS), by Parent's Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
School achievement (%)							
Parent report							
Normal school progress	81.5	80.2	1.3	0.802	1.6	0.03	0.658
School achievement	4.1	4.1	0.0	0.885	-0.5	-0.02	0.461
Sample size	*105*	*93*					
Teacher report							
Not making normal school progress (%)	46.6	40.1	6.4	0.472	16.0	0.13	0.166
Teacher report							
Social Skills Rating System							
Academic Subscale	3.3	3.2	0.1	0.729	2.0	0.07	0.315
Classroom skills							
Total skills	3.8	3.8	0.0	0.843	0.9	0.04	0.508
Behavior skills	4.0	4.0	0.0	0.779	1.1	0.05	0.596
Independent skills	3.7	3.7	0.0	0.977	-0.2	-0.01	0.370
Transition skills	3.9	3.7	0.1	0.540	2.9	0.11	0.811
Sample size	*69*	*73*					
Educational expectations (ages 9-12) (%)							
Child report							
Expects to finish high school	4.2	4.7	-0.4 *	0.053	-9.5	-0.42	0.060 †
Expects to attend college	4.2	4.1	0.2	0.673	4.0	0.14	0.981
Expects to finish college	4.2	3.7	0.5	0.200	14.2	0.40	0.489
Sample size	*45*	*36*					
Occupational aspirations and expectations (ages 6-12) (%)							
Child report							
Aspirations	59.3	55.3	4.0	0.191	7.3	0.24	0.550
Expectations	62.0	55.0	7.1 *	0.057	12.9	0.41	0.185
Sample size	*73*	*68*					
Values and interests (%)							
Child report							
Academic interest (ages 6-8)	2.8	2.8	0.0	0.765	1.6	0.10	0.976
Sample size	*32*	*38*					
Academic interest (ages 9-12)	3.9	4.1	-0.2	0.334	-4.4	-0.19	0.333
Academic importance (ages 9-12)	3.5	3.8	-0.2	0.108	-6.0	-0.34	0.392
Athletic importance (ages 9-12)	2.5	2.7	-0.2	0.427	-6.7	-0.20	0.854
Sample size	*45*	*36*					

(continued)

Appendix Table L7.1 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Not Employed Full Time at Random Assignment				
School achievement (%)							
Parent report							
Normal school progress	74.4	70.0	4.4	0.321	6.3	0.10	
School achievement	4.0	3.9	0.1	0.280	3.1	0.11	
Sample size	*220*	*239*					
Teacher report							
Not making normal school progress (%)	42.9	52.1	-9.3	0.165	-17.7	-0.19	
Teacher report							
Social skills rating system							
Academic subscale	3.4	3.1	0.3 **	0.022	9.2	0.29	
Classroom skills							
Total skills	3.9	3.7	0.2	0.147	4.7	0.18	
Behavior skills	4.1	3.9	0.2	0.213	3.9	0.16	
Independent skills	3.8	3.6	0.2	0.113	5.6	0.19	
Transition skills	3.9	3.7	0.2	0.206	4.3	0.16	
Sample size	*133*	*144*					
Educational expectations (ages 9-12) (%)							
Child report							
Expects to finish high school	4.3	4.2	0.1	0.536	2.4	0.10	
Expects to attend college	4.1	4.0	0.2	0.376	3.9	0.13	
Expects to finish college	3.9	3.7	0.2	0.231	6.6	0.18	
Sample size	*106*	*100*					
Occupational aspirations and expectations (ages 6-12) (%)							
Child report							
Aspirations	57.8	56.0	1.8	0.347	3.2	0.11	
Expectations	56.5	54.9	1.7	0.419	3.0	0.10	
Sample size	*165*	*186*					
Values and interests (%)							
Child report							
Academic interest (ages 6-8)	2.8	2.7	0.0	0.646	1.4	0.09	
Sample size	*64*	*94*					
Academic interest (ages 9-12)	3.9	3.8	0.1	0.543	2.1	0.08	
Academic importance (ages 9-12)	3.5	3.6	-0.1	0.426	-2.2	-0.12	
Athletic importance (ages 9-12)	2.6	2.7	-0.1	0.336	-4.7	-0.14	
Sample size	*106*	*100*					

(continued)

Appendix Table L7.1 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: normal school progress: 0 (no) - 100 (yes); school achievement: 1 (not well at all) - 5 (very well); academic subscale: 1 (lowest 10% of class) - 5 (highest 10% of class); classroom skills: 1 (almost never) - 5 (almost always); educational aspirations: 1 (not at all sure) - 5 (very sure); occupational prestige scores: 0 - 100 -- higher scores indicate more prestigious occupation; ages 6-8 academic interest: 1 (no) 3 (yes); ages 9-12 academic interest: 1 (not true at all) - 5 (always true); academic importance: 1 (not at all important) - 4 (very important); athletic importance: 1 (not at all important) - 4 (very important).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Appendix Table L7.2

The New Hope Project

Two-Year Impacts on Psychological Well-Being for Children in the Child and Family Study (CFS), by Parent's Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
			Employed Full Time at Random Assignment				
Perceived competence (%)							
Child report							
Cognitive competence (ages 6-8)	3.7	3.6	0.0	0.672	0.9	0.10	0.517
Physical competence (ages 6-8)	3.7	3.7	0.0	0.676	1.2	0.15	0.428
Sample size	*31*	*37*					
Scholastic competence (ages 9-12)	2.8	3.0	-0.2	0.229	-5.5	-0.24	0.235
Athletic competence (ages 9-12)	2.9	2.6	0.2	0.146	9.5	0.41	0.076 †
Global self-worth (ages 9-12)	3.3	3.3	0.0	0.758	-1.2	-0.06	0.304
Sample size	*45*	*36*					
Teacher report							
Athletic competence	2.8	2.8	0.0	0.844	-0.9	-0.04	0.256
Sample size	*64*	*62*					
Friendship (loneliness) (%)							
Child report							
Friendship (ages 6-8)	2.5	2.5	-0.1	0.546	-2.1	-0.17	0.177
Sample size	*32*	*37*					
Friendship (ages 9-12)	4.1	4.3	-0.1	0.296	-3.4	-0.21	0.141
Sample size	*45*	*36*					
Anxiety (%)							
Child report							
Total anxiety (ages 6-8)	2.1	2.1	0.0	0.606	2.2	0.10	0.717
Physiological anxiety (ages 6-8)	2.0	2.0	0.0	0.927	-0.4	-0.01	0.617
Sample size	*32*	*37*					
Total anxiety (ages 9-12)	2.5	2.4	0.1	0.389	5.1	0.16	0.125
Physiological anxiety (ages 9-12)	2.6	2.3	0.3 *	0.063	13.5	0.36	0.028 ††
Worry/sensitivity anxiety (ages 9-12)	2.5	2.5	0.0	0.956	0.5	0.01	0.448
Social concerns (ages 9-12)	2.5	2.5	0.0	0.854	0.1	0.00	0.358
Sample size	*45*	*36*					

(continued)

Appendix Table L7.2 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Not Employed Full Time at Random Assignment							
Perceived competence (%)							
Child report							
Cognitive competence (ages 6-8)	3.6	3.6	0.0	0.468	-1.1	-0.13	
Physical competence (ages 6-8)	3.7	3.7	0.0	0.533	-0.8	-0.11	
Sample size	*65*	*94*					
Scholastic competence (ages 9-12)	2.8	2.7	0.1	0.441	2.9	0.12	
Athletic competence (ages 9-12)	2.8	2.9	-0.1	0.536	-2.0	-0.09	
Global self-worth (ages 9-12)	3.3	3.1	0.2	0.129	5.0	0.23	
Sample size	*105*	*99*					
Teacher report							
Athletic competence	2.9	2.8	0.1 *	0.087	5.0	0.23	
Sample size	*113*	*123*					
Friendship (loneliness) (%)							
Child report							
Friendship (ages 6-8)	2.6	2.5	0.1	0.161	3.2	0.25	
Sample size	*65*	*94*					
Friendship (ages 9-12)	4.1	4.0	0.2	0.158	3.8	0.22	
Sample size	*106*	*100*					
Anxiety (%)							
Child report							
Total anxiety (ages 6-8)	2.1	2.1	0.0	0.893	-0.4	-0.02	
Physiological anxiety (ages 6-8)	2.1	2.0	0.1	0.288	5.1	0.16	
Sample size	*65*	*94*					
Total anxiety (ages 9-12)	2.5	2.7	-0.2	0.118	-7.2	-0.26	
Physiological anxiety (ages 9-12)	2.6	2.8	-0.2	0.233	-6.1	-0.20	
Worry/sensitivity anxiety (ages 9-12)	2.4	2.6	-0.2	0.210	-6.9	-0.21	
Social concerns (ages 9-12)	2.6	2.8	-0.2 *	0.089	-8.7	-0.27	
Sample size	*105*	*100*					

(continued)

Appendix Table L7.2 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: perceived competence: 1 (not very good) - 4 (very good); ages 6-8 friendship: 1 (no) - 3 (yes); ages 9-12 friendship: 1 (not true at all) - 5 (always true); ages 6-8 anxiety: 1 (no) - 3 (yes); ages 9-12 anxiety: 1 (not true at all/never) - 5 (always true/all of the time).

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts differed significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Appendix Table L7.3

The New Hope Project

Two-Year Impacts on Social Behavior for Children in the Child and Family Study (CFS), by Parent's Employment Status at Random Assignment

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Employed Full Time at Random Assignment							
Positive behavior (%)							
Parent report							
Total positive behavior	3.9	4.0	0.0	0.862	-0.3	-0.02	0.704
Social competence	4.0	4.0	0.0	0.914	0.2	0.02	0.993
Compliance	3.6	3.6	0.0	0.946	-0.2	-0.01	0.737
Autonomy	4.2	4.3	-0.1	0.364	-1.7	-0.13	0.278
Sample size	*93*	*84*					
Teacher report							
Total positive behavior	3.6	3.6	0.1	0.582	1.7	0.09	0.376
Social competence	3.6	3.6	0.0	0.778	0.8	0.04	0.318
Compliance	3.6	3.5	0.1	0.579	2.0	0.09	0.465
Autonomy	3.6	3.5	0.1	0.442	3.0	0.15	0.548
Sample size	*69*	*73*					
Child report							
Self-control (ages 9-12)	3.6	3.5	0.1	0.770	2.1	0.08	0.952
Sample size	*45*	*36*					
Problem behavior (%)							
Parent report							
Total behavior problems (ages 3-5)	2.5	2.4	0.1	0.630	2.7	0.13	0.285
Externalizing problems (ages 3-5)	2.8	2.7	0.1	0.526	3.6	0.17	0.200
Internalizing problems (ages 3-5)	1.8	1.9	0.0	0.995	-0.4	-0.01	0.742
Sample size	*40*	*34*					
Total behavior problems (ages 6-12)	2.4	2.3	0.1	0.390	5.1	0.19	0.302
Externalizing problems (ages 6-12)	2.4	2.3	0.1	0.521	4.4	0.13	0.607
Internalizing problems (ages 6-12)	2.4	2.2	0.2	0.353	6.9	0.21	0.152
Sample size	*53*	*48*					
Teacher report							
Total behavior problems	2.3	2.3	0.1	0.638	2.5	0.09	0.241
Externalizing problems	2.2	2.1	0.1	0.623	4.0	0.10	0.239
Internalizing problems	2.3	2.2	0.0	0.779	1.2	0.05	0.438
Hyperactivity	2.6	2.5	0.1	0.750	2.5	0.08	0.466
Frequency of disciplinary action	2.6	2.8	-0.2	0.468	-6.1	-0.12	0.378
Sample size	*69*	*73*					
Child report							
Social problem solving							
Total social competency score (ages 6-12)	5.0	5.1	-0.1	0.803	-1.2	-0.04	0.749
Total aggression score (ages 6-12)	1.0	0.9	0.0	0.804	4.0	0.04	0.506
Sample size	*78*	*74*					

(continued)

Appendix Table L7.3 (continued)

Outcome	Program Group	Control Group	Difference	P-Value for Difference	% Impact	Effect Size[a]	P-Value for Difference Between Panels[b]
Not Employed Full Time at Random Assignment							
Positive behavior (%)							
Parent report							
Total positive behavior	4.0	3.9	0.0	0.720	0.5	0.04	
Social competence	4.1	4.0	0.0	0.907	0.2	0.02	
Compliance	3.6	3.6	0.0	0.674	0.8	0.05	
Autonomy	4.3	4.3	0.0	0.570	0.8	0.07	
Sample size	*187*	*205*					
Teacher report							
Total positive behavior	3.7	3.5	0.2 **	0.031	5.2	0.28	
Social competence	3.7	3.6	0.2 *	0.062	4.9	0.25	
Compliance	3.7	3.5	0.2 **	0.048	5.4	0.25	
Autonomy	3.6	3.4	0.2 **	0.024	5.8	0.29	
Sample size	*132*	*144*					
Child report							
Self-control (ages 9-12)	3.4	3.3	0.1	0.666	1.8	0.07	
Sample size	*105*	*100*					
Problem behavior (%)							
Parent report							
Total behavior problems (ages 3-5)	2.4	2.5	-0.1	0.318	-4.1	-0.20	
Externalizing problems (ages 3-5)	2.7	2.8	-0.1	0.298	-4.2	-0.21	
Internalizing problems (ages 3-5)	1.8	1.8	-0.1	0.492	-4.6	-0.12	
Sample size	*70*	*91*					
Total behavior problems (ages 6-12)	2.3	2.4	-0.1	0.575	-2.3	-0.09	
Externalizing problems (ages 6-12)	2.4	2.4	0.0	0.993	0.0	0.00	
Internalizing problems (ages 6-12)	2.2	2.3	-0.1	0.202	-5.7	-0.18	
Sample size	*114*	*111*					
Teacher report							
Total behavior problems	2.2	2.3	-0.1	0.209	-4.2	-0.16	
Externalizing problems	2.0	2.2	-0.1	0.214	-6.3	-0.16	
Internalizing problems	2.2	2.3	-0.1	0.300	-3.3	-0.12	
Hyperactivity	2.5	2.6	-0.1	0.518	-2.6	-0.08	
Frequency of disciplinary action	2.7	2.6	0.1	0.500	4.1	0.07	
Sample size	*133*	*144*					
Child report							
Social problem solving							
Total social competency score (ages 6-12)	5.0	5.1	-0.2	0.358	-3.3	-0.10	
Total aggression score (ages 6-12)	0.8	0.9	-0.1	0.339	-10.5	-0.10	
Sample size	*171*	*195*					

(continued)

Appendix Table L7.3 (continued)

SOURCE: MDRC calculations using data from the New Hope two-year survey.

NOTES: Statistical significance levels are indicated as *** = 1 percent, ** = 5 percent, and * = 10 percent.

The following scales describe how answers to specific questions were measured: positive behavior: 1 (never) - 5 (all of the time); ages 9-12 self-control: 1 (never) - 5 (all of the time); parent and teacher report of problem behavior: 1 (never) - 5 (all of the time); frequency of discipline: 1 (never) - 5 (several times a week); social problem solving: 0-8 sum of number of particular response across stories.

Actual sample sizes for individual measures may vary as a result of missing data.

[a] The effect size is the difference between program and control group outcomes expressed as a proportion of the standard deviation of the outcome for both groups combined. This standard deviation is always obtained from the full research sample, even if the table shows impacts for subgroups.

[b] A statistical test was conducted to measure whether impacts difered significantly across the subgroup dimensions featured in this table. This p-value represents the probability that apparent variation in impacts across each of these dimensions is simply the result of random chance. If this probability is less than 10 percent, the variation in impacts is considered statistically significant. Statistical significance levels are indicated as ††† = 1 percent, †† = 5 percent, and † = 10 percent.

Appendix M

The Last Year of Program Implementation

Appendix M

The Last Year of Program Implementation

Although this report focuses on the 24-month impacts of the New Hope program, documentation of the third and final year of program operations and project wind-down was crucial in order to capture program implementation before the program ended. This appendix highlights issues of program implementation that arose between the fall of 1997 and the fall of 1998. In December 1998 the New Hope Project ended the operational phase of the program as the three-year time-limited offer for the last enrollees came to an end. At the outset, the New Hope board and staff recognized that some participants would no longer need the offer at the end of three years, but might still need some assistance, given the realities of the lower end of the labor market.

This appendix describes participant transition out of New Hope, staff transition in preparation for the end of the project, and some of the policy advocacy work done by New Hope staff during the last year of program operations, along with a short discussion of future directions for the New Hope Project and research follow-up. Data sources for this appendix include field notes from interviews with New Hope management and program staff, New Hope program documents and participant tracking reports, and focus groups and/or individual interviews with New Hope participants.

Project Wind-Down

The procedures and materials described below were all part of what New Hope *intended* to be covered for all participants during their transition period out of eligibility for New Hope financial benefits, although the reality of consistently implementing *all* of the transition elements for each participant was fairly difficult.

Participant Transition

The primary objective of New Hope staff in the wind-down period was to ease the transition process, making it as smooth as possible for participants while ensuring that after New Hope[1] there would be alternatives or replacements for the services and benefits that New Hope had provided to participants. The transition period spanned the months between August 1997 and December 1998. New Hope established a sequence of transition activities for project representatives to carry out with their caseload of participants. These transition activities are outlined below.

Notification of end date. The project rep was responsible for sending participants a letter notifying them of their eligibility end date six months prior to that date (see attachment 1). While informal planning was ongoing for active participants, the notification letter marked the start of a formal process. Participants were eligible for benefits until the last day of the month in which their end date fell. This notification letter included an invitation to the participant to discuss the future in person. Program staff used a variety of methods to contact participants and follow up on the notification letter, including phone calls, letters, and home visits if there was no telephone. Program staff's ability to make contact was particularly important for those participants who were inactive at the time when the notification letters went out.[2]

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[1] "After New Hope" refers to a period for some participants, depending on their end date, when they were no longer eligible for New Hope financial benefits but still had the opportunity to have contact with New Hope program staff until the entire New Hope Project closed its doors.

Exit survey. Once participants were notified of their end date, they were asked to fill out an exit survey (see attachments II and III). The exit survey covered concerns that participants had about the future related to child care, health insurance, a better-paying job, job-related training, and housing or transportation.[3] The survey also covered which New Hope benefits participants received before they exited. Participants were urged to raise any questions on the survey they had regarding their exit from New Hope.

As of November 1, 1998, 621 participants, of a possible 696,[4] had reached their end date and consequently exited New Hope. Of those 621 participants, 286 completed exit surveys.[5] Useful information that came out of the exit surveys primarily pointed to areas of participants' lives that, in the absence of New Hope benefits, would need to be addressed elsewhere. The two main areas of concern that emerged from the exit surveys were child care assistance and health insurance.

Participant profile. When participants came into the New Hope offices to meet with their project rep after notification of their end date and filled out the exit survey, they were asked to complete a participant profile (see attachment IV) as part of the transition process. The participant profile was designed to help participants construct a plan of job-related activities after New Hope by identifying their current status and anticipated needs across a number of dimensions. It was anticipated that the needs of some participants who were eligible might be addressed by Wisconsin's new welfare reform program called Wisconsin Works (W-2). The participant profile also asked whether participants had a monthly budget, a savings account, or other means of financial support (SSI, child support). Project reps reviewed participants' educational status and training options and provided information on GEDs and other training options when requested. Project reps established whether participants had an updated résumé and an employment plan and offered assistance if either needed updating. As of November 1, 1998, 314 participant profiles had been completed. Of this 314, 135 participants took advantage of creating a revised employment plan for themselves with their project rep. Useful information that came out of the completed profiles pointed to the leading concerns among this group of participants: child care and health insurance.

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[2] Inactive status is defined as having no contact with a New Hope project rep for six weeks or not receiving any New Hope benefits. In the last year of program operations, the number of inactive participants was consistently over 200 for the 696 program group members.

[3] Rather than being used to characterize the program group in the aggregate, information in the questionnaire was used in working with individual participants on their transition out of New Hope.

[4] The number is recorded to be 696 instead of 678 because some households with New Hope participants had split up, but were still served by New Hope. In this situation when a household has split up, the second earner or spouse becomes a head of household and assigned the same end date as the original household.

[5] The numbers in this and the next paragraph are from New Hope Participant Transition Reports through November 1, 1998.

Other general information was recorded on AFDC and Food Stamp receipt, and which W-2 provider area the participant lived in. Finally, the participant profile was designed to identify how the New Hope Project could help participants achieve any goals set over the course of the last few months of New Hope eligibility. In the last question of the participant profile, participants were asked if they would like to continue to work with their project reps after their benefits from New Hope came to an end. This offer of extended noneconomic services is covered in greater detail in a section to follow.

The community resource packet. The purpose of the community resource packet was to provide participants with a source of current (at the time of participant exit date) information about job search, health care, child care, housing, education, and transportation services in the Milwaukee area. Milwaukee is a city rich with community-based organizations and social services, as noted in Chapter 2 of this report. The packet contained information on legal services, temporary employment agencies, colleges and universities, community resources that enhance job searches, and job hotlines. The program's philosophy was that New Hope should provide a thorough resource for some of the information the transition committee felt was needed to aid participants in their lives beyond New Hope.

Implementation issues and participant reactions. Establishing a transition committee and creating transition materials within the New Hope Project constituted the program's approach to identifying areas where participants needed services outside New Hope once their eligibility ended. In general, project reps felt the transition materials were appropriate, especially the community resource packet, as a way to centralize information about services in Milwaukee. Project reps overwhelmingly agreed that health insurance and child care arrangements were the areas where participants were in greatest need of services, especially those who were active in the program, receiving some New Hope benefits, and employed full time.

According to project reps, participant reactions to the transition were varied and covered a spectrum of emotions. Some participants expressed anger and frustration about New Hope ending. Project reps were concerned that certain participants would not be able to get all the help they needed to prepare for the transition out of New Hope. A New Hope staff member reflects on what New Hope coming to an end meant to participants:

> There's nothing to offer in our place, it's hard. Some participants are angry. I have one participant, who is Hmong, and it's him, his wife and seven kids. They transition out next month. Their greatest concern is child care. When they were previously on welfare, his wife stayed home. In the last three years, both have had jobs, child care, the earnings supplement, and health insurance. When New Hope ends, they still have seven kids and they need day care and they honestly can't afford it.

This staff member pointed out that for participants who took advantage of the entire collection of New Hope benefits and services, the future would be a challenge, although it is possible that this family would be eligible for W-2 child care services. Project reps mentioned that the distinction between active and less active participants, and the degree to which they took advantage of New Hope benefits and services, had a lot to do with the smoothness of the transition out of New Hope.

Among project reps, there was some concern for participants' ability to budget their financial resources, a skill that reps tried to address throughout their time working with them. New Hope conducted some financial planning sessions for participants during the last year of program operations. Overall, when discussing participant transition, project reps felt that participants who were employed full time at the exit date were fairly well prepared for the future. There was a sense that these participants understood the routine and the structure of what it meant to work full time along with juggling other responsibilities. At the same time, the comparison of where participants were in terms of employment, job-related activities, and economic security when they exited New Hope is relative to their situation when they entered New Hope. It may not seem that participants have made great strides, when they actually have:

> Some participants are merely existing, surviving, doing okay. Some are satisfied with just having enough to pay the rent, have some food, and have the lights on. Some are okay with that as far as their hopes and ambitions. Most of my participants are content with what they have, they are just trying to maintain. If you look at where they were at in the beginning and where they're at now—they have their own place now, they can pay the rent and utilities, and no insurance as they exit compared to where they were before, then that's good.

On the other hand, some participants did not seem to be affected by their exit from New Hope because they never fully engaged in the program or they participated intermittently. According to project reps, these participants were likely to exit New Hope having gained little compared with more active participants. A New Hope staff member gives his impressions of some of the reasons that were heard from conducting exit interviews with participants:

> Participants have a certain perception of New Hope — they got this perception at the beginning and they carried it through. A lot of participants think New Hope can't do much for them and it's not worth it. You have participants who are working — they know what it's about. Some participants fell off in the beginning. The program wasn't explained correctly in the first place. They didn't have a clear picture and they shied away. Those exiting the program could care less. They think "New Hope hasn't done much for me."

Consistent with observations in *Creating New Hope*,[6] there was some difficulty in reaching people, confirming their understanding of the New Hope offer, and staying in touch with participants over time. Even in the final year of program implementation, it appears that the complexity of the offer was not always well absorbed or understood by some residents who entered the program group and were eligible for New Hope benefits. New Hope program staff felt that in order for participants to fully engage in the program, they needed to have prolonged periods of interaction with the program and be repeatedly reminded of the offer so that they could tailor their use of New Hope to any changes that occurred over the three-year period.

Extended Services Offered by New Hope Project Reps

Part of the transition plan for participants included an offer of extended services by New Hope project reps once participants were no longer eligible for New Hope economic benefits.

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[6] Brock et al., 1997.

Participants were still able to take advantage of computers to prepare résumés, conduct Internet job searches, receive interview and job coaching, or attend New Hope sponsored budget-counseling workshops or homebuyers' clinics. Project reps made it clear that the extension of their services would be reduced in scope from the kinds of services they provided to participants during their three-year period of New Hope eligibility. Project reps were not required to keep a record of the kinds of contacts they had with participants who had already ended their period of New Hope eligibility.

Implementation issues. While the offer of extended services benefited those participants who took advantage of it, some project reps thought it might prolong the inevitable — that New Hope would eventually close its doors. Project reps reported that a good portion of their extended contact with exited participants took place over the phone. The time that project reps devoted to exited participants in the last year of program operations ranged from a minimal amount to about 10 percent of a rep's weekly work hours. Project reps pointed out that not hearing from participants was sometimes a good sign that they were doing well, especially those who were working in the private sector at the time of their exit date. A New Hope staff member reports on her experiences with extending services to participants who exited:

> I have some contact with participants who have exited New Hope. A small number of active, consistent participants come in and stop by to say hello. Others call or come in because they need documentation of employment or something and they know we have records of that in their files.

It appears that most of the contact that project reps had with participants once they exited was informal, often in the form of a quick check-in visit or phone call initiated by either the project rep or the participant. The decision to take advantage of the offer of extended services was primarily up to participants. From the reports that project reps provided to MDRC researchers, some participants took advantage of the offer while others did not.

Overlap Between New Hope and W-2 Services

In September 1997 the State of Wisconsin began implementing its version of welfare reform, a work-based program called Wisconsin Works (W-2). Thus, the first year of W-2 implementation coincided with the last year of program operations for the New Hope Project. For W-2, the city of Milwaukee was divided into six sectors. Each sector corresponds to an agency (one agency covers two sectors) with a contract to provide W-2 benefits and services to those who live within the established boundaries of that section of the city. Initially, anyone who wanted to receive benefits through W-2 had to be classified into one of four levels of work readiness. W-2 also has child care assistance and health insurance for those who qualify. Some New Hope project reps predicted that inactive participants might re-engage in New Hope as a result of W-2 taking effect.

There are no perfect indicators at this point to predict which New Hope participants will take advantage of W-2. However, those who might find the transition into the unsubsidized labor market difficult, primarily CSJ users, and working participants in need of child care and health insurance might take advantage of W-2. It is also important to note that not all New Hope participants are eligible for W-2 and that different income requirements apply to different components.

According to project reps, as participants prepared to transition out of New Hope, participants readily identified two areas where they would need continued assistance: child care and health insurance coverage, especially for those working full time. On learning this, New Hope management initiated the program policy that project reps accompany interested participants to the W-2 offices to enroll in the services they needed after their transition out of New Hope.

Through the transition materials, participants were supposed to identify areas where they would need continued assistance after they exited New Hope. Project reps urged those participants who could get insurance through their employer to do so and explained the financial side of paying for employer-sponsored insurance and how it would be reflected in their paychecks. Once participants determined their needs, project reps would accompany any interested participants to the W-2 offices.

Implementation issues and participant reactions. According to New Hope staff, the initial months of W-2 implementation were a time of confusion for both staff and participants. There was considerable confusion also at the state and city levels. W-2 was a unique program and its unfamiliar approach added to the general lack of understanding. The various components of W-2 had different eligibility requirements and, because written policies on W-2 were not available at the beginning of implementation, it was hard to explain to New Hope participants how W-2 worked. In the fall of 1997 New Hope staff attended presentations from some of the agencies contracted to run W-2 in order to understand the new requirements and the proposed structure of W-2. New Hope participants were lucky because the program was acting as an advocate for them in pushing the county and the state to disseminate information.

The confusion about W-2 made some New Hope participants leery of learning about it. New Hope staff members explain the difficulties that project reps and participants encountered in the transition from New Hope to W-2:

> Very few participants were making the transition to W-2 by themselves. I think there is a sense that participants viewed W-2 with suspicion and were aware of the stigma and hassles associated with it.

As with some New Hope participants, there was skepticism among New Hope staff about W-2. New Hope staff members give their mixed reactions to the established program policy that they offer to accompany interested participants to W-2 offices to enroll in services:

> Some reps feel like they have spent the last two years getting people off of welfare and encouraging them to go to work, and now you want me to help get them back on it? I see it as New Hope is a work-based program, and W-2 is a work-based program. It is not as good of a program as New Hope, but it is different from the old system, there are benefits that have to be worked off, and a child care and health insurance component.
>
> I think part of going to a W-2 office is counterintuitive to the philosophy of New Hope and the emphasis they place on self-sufficiency. There is a conflict, but if it has to do with the well-being of a participant, I don't mind going to W-2 offices.

Further into the first year of W-2 implementation, the eligibility requirements for child care were expanded to include working low-income families in addition to those looking for employment or participating in sponsored community service jobs under W-2. This expansion proved most useful for working New Hope participants with families.

> You can get W-2 child care without having to sign up for other W-2 benefits. They have made child care available for working low-income families through W-2. Although each agency has different guidelines, so there is a range of eligibility requirements and they differ. They are supposed to follow the same general guidelines, but the range of requirements are different.

A good number of employed New Hope participants wanted to take advantage of W-2 child care services alone, while others were primarily concerned with getting W-2 health insurance if they were eligible. Early in 1998 New Hope's local advisory board suggested that New Hope program staff keep track of which aspects of W-2, if any, participants were enrolling in once they exited New Hope. This information was not formally recorded and tracked until May 1998 through transition updates that project reps filled out, and it did not cover participants who exited the program before the midpoint of the last year of program operations. Administrative records are the best source of this information for any follow-up that may be done in the future.

While the creation of the New Hope Participant Transition Update was a good idea to keep track of this information, its limitations are that it is reported by a subset of participants with whom New Hope had contact and not representative of the entire population of exited New Hope participants. With these limitations in mind, 30 participants with whom New Hope had contact of the 621 participants who had exited as of November 1, 1998, had enrolled in W-2 health insurance and 65 participants had enrolled in employer-offered insurance. For child care arrangements, again for participants with whom New Hope had contact, 22 had enrolled in W-2 child care and 15 in other child care arrangements.[7]

New Hope Staff Transition

In the last year of program operations, New Hope staff had to consider their own transition out of employment at New Hope. In December 1997 end dates for all staff members were decided by the Board of Directors based on seniority for both New Hope administrative and program staff. In early 1998 project-specific needs and end dates were made public to all staff and the transition plan was finalized. New Hope management aimed to address the needs of New Hope employees in their own transition out of employment at New Hope, while still being able to operate the program and address the needs of participants.

Components of the transition plan included a quarterly retention bonus; completion pay for those who stayed until their end date; and individual options/funds available to each staff member designated for tuition/training, to extend their health insurance after they left New Hope, or for other options reviewed and approved by the personnel committee. In addition, the human resource manager at New Hope was available to meet with staff and to provide assistance in creating plans for their future employment. A placement firm was hired to train and assist staff on job search activities. Inevitably, some staff were anxious about their individual situations, and maintaining a focus on New Hope was a challenge at times.

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[7] Data sources for this information are New Hope Participant Transition Reports through November 1, 1998.

Implementation issues. As New Hope project reps approached their individual end dates, their caseloads had to be reassigned to other project reps in ways that would be least disruptive to participants and maintain a consistent level of service. According to program staff, the case reassignment process went relatively smoothly because participants exited each month from August 1997 through December 1998.

Future Directions for the New Hope Project and Research Follow-Up

The New Hope Project's basic goal is to inform and improve public policy regarding low-income workers. As an innovative, work-based antipoverty project, New Hope can provide information on specific program design features (like child care or health care assistance, the provision of an earnings supplement, and wage-paying community service jobs (CSJs) and how these features may have helped the program achieve its policy goals of reducing poverty and addressing the economic insecurity of low-income workers, especially in connection with their families. New Hope's position of running a program, along with the simultaneous evaluation and documentation of program implementation components, has enabled it to make a significant contribution on an operational level. New Hope has gained considerable experience and is in a position to share approaches, procedures, and lessons learned with those interested on both national and local fronts in welfare reform efforts, especially in connection with the provision of specific features of the New Hope offer.

So far, New Hope has shared with state and local officials its operational experience in setting up the program and the lessons learned. In this role, New Hope has primarily served as an organization that provides practical information on how to go about implementing different program components, like wage-paying CSJs. New Hope has not yet been in the role of deciding how policymakers should run programs, but rather informing them on how it has run its own program.

New Hope staff participated in discussions, debates, and hearings that led to the final bill passed by the Wisconsin state legislature in 1995 for Wisconsin Works (W-2). In 1997 New Hope staff briefed the designated W-2 agencies in Milwaukee, state legislators, and administrators at the Department of Workforce Development on the New Hope program implementation experience. These briefings concentrated heavily on New Hope wage-paying CSJs and processing child care benefits. In addition, New Hope has continued to share its experiences with those who are designing welfare-to-work programs. New Hope has received inquiries from a number of cities and states across the country. New Hope staff remained responsive to requests for information even as the operational phase of the program drew to a close.

What Will Be the Legacy of New Hope?

The New Hope Project is a workable model that operated outside the public assistance system, though it was designed to be replicable as government policy. The implications of having operated outside the public assistance system makes it difficult for New Hope to be considered an alternative to already existing programs that are part of welfare reform in this country, though it was designed with this as one of its purposes. At the same time, the New Hope Project did not envision that discussions of the program and its impacts would remain limited entirely to the debate on welfare reform. Consequently, New Hope has developed a three-pronged approach to the dissemination efforts that will take place now that the program has ended: lessons learned from the New Hope Project and their implications for U.S. policy; lessons learned and their implications for Wisconsin state policy; and addressing marginal tax issues that were raised during the project on how to phase out economic benefits as participants earn more money, while maintaining an incentive to work. With an orientation toward the future, 1999 promises to be a year when the New Hope Project's policy work becomes more narrow and directed.

Future Research Follow-Up

MDRC is currently developing a 60-month survey that will follow up with respondents beyond the operational phase of the program. Data collection using the survey instrument will be ongoing throughout the year 2000. At the same time, the ethnographic work with both program and control group families will continue for another two and a half years. The development of the 60-month survey will continue to be informed by some of the issues that have emerged and continue to surface through the ethnographic work with the 46 families that are part of that research component.

In addition, New Hope is donating program documents and materials to the archive collection at the University of Wisconsin–Milwaukee's Golda Meir Library for future historical research on the project, including board minutes, program documents, and publications. MDRC will create a public use file of the data sources that will be available to those who wish to carry out their own analyses in the future.

ATTACHMENT I

Building Bridges To Work
NEW HOPE

THE NEW HOPE PROJECT, INC.

623 North 35th Street • Milwaukee, Wisconsin 53208
Telephone: (414) 342-3338
Facsimile: (414) 342-4078

1100 West Mitchell Street • Milwaukee, Wisconsin 53204
Telephone: (414) 672-6760
Facsimile: (414) 672-6761

Monday, January 5, 1998

Patricia Participant
1561 N 35th Street
Milwaukee, WI 53208

Dear Patricia Participant:

I am writing to inform you that as of 6/98, your New Hope Project benefits will expire.

When we began our enrollment in August of 1994, the offer was simple; work at least 120 hours per month and become eligible for child care, health care, and a wage supplement. If you were unemployed, New Hope would assist you in finding a position or offer the opportunity of a Community Service Job if you had not found employment after eight weeks.

This offer was good for three (3) years. You were one of the people chosen for the project and you may have used some or all of our benefits since 6/95. Now, as your three years in New Hope come to an end, I want to help you make plans for how to replace New Hope.

To assist me in helping you through this transition, I have enclosed a survey. I encourage you to fill it out and return it.

I'd like to sit down with you and talk about what's next. I want you to make a good transition out of New Hope. I will call you next week.

Sincerely,

[Name]

Project Representative

CC: Program Director
Executive Director

ATTACHMENT II

SURVEY FOR EXITING NEW HOPE PARTICIPANTS

My biggest concern after I exit New Hope is: (check one)

__ child care

__ health insurance

__ better paying job

__ job-related training

__other

  ___ housing

  ___ transportation

Benefits I currently receive from New Hope: (check all that apply)

__ child care

__ health care

__ wage supplement

Questions I have regarding my exit from New Hope:

____

____

The best time to reach me is: ____________________ (also include day of week)

Phone number:______________________ (work or home — circle one)

Name:______________________________

Address: ______________________________

ATTACHMENT III

ENCUESTA DE SALIDA PARA PARTICIPANTES DE NEW HOPE PROJECT

Mi preocupacion principal despues que termine mi tiempo en New Hope es: (marque una)

__ Guarderias

__ Seguro Medico

__ Mejor Empleo

__ Entrenamiento de trabajo

__ Otra preocupacion

  ___ Vivienda

  ___ Transporte

Yo recibo los siguientes beneficios de New Hope: (marque todos los que apliquen)

__ Guarderias

__ Seguro Medico

__ Salario Suplementario

Preguntas con relacion a mi salida del projecto:

____

____

Mejor tiempo para llamarme es: ____________ (incluya dia de la semana)

Numero de Telefono: _____________ (casa/trabajo)

Nombre: __________________________________

Direccion: ____________________________________

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PARTICIPANT PROFILE

BASIC

a. How was contact made?

__ In person

__ Telephone

__ Mail

Participant Name: ________________________________

Project Representative: ____________________________

NHP#: ____________________________________

HEALTH INSURANCE COVERAGE

1. Do you currently have health insurance available to you and your family through a source other than New Hope Project (NHP), Inc.?

Yes ________ No ______

a. If so, what are your other options?

__ Employer

__ Spouse

__ Public Assistance

__ Cobra

b. What will you most likely do about health insurance after exiting NHP? ______

____

CHILDCARE

2. Do you currently have childcare available to you through a source other than NHP?

Yes ________ No ______ (if no, go to a & b)

a. Are you aware of what your other options are?

Yes ________ No ______

b. What will you most likely do about childcare after exiting NHP? __________

____

(continued)

PARTICIPANT PROFILE

WAYS TO CREATE EXTRA SPENDING MONEY

3. Do you currently have a monthly budget?

Yes __________ No_______ (if no, go to a)

a. Do you feel you could benefit from a monthly budget?

Yes __________ No_______

4. Do you currently have a savings account?

Yes __________ No_______

5. Do you have other means of financial support? (i.e., SSI, child support, etc.)

Yes __________ No_______

a. If not, are you aware of how to go about receiving child support?

Yes __________ No_______

EMPLOYABILITY

6. Do you currently have a high school diploma/GED?

Yes __________ No_______ (if no, go to a)

a. Would you like information on where to obtain a GED, if you do not have one?

Yes __________ No_______

7. Have you taken advantage of education or training through NHP?

Yes __________ No_______

If so, what kinds: ____

____

a. Did you feel it was beneficial to helping you secure or maintain employment?

Yes __________ No_______

8. Do you have a working résumé?

Yes __________ No_______

9. Do you have an up-to-date "employment plan"?

Yes __________ No_______

(continued)

PARTICIPANT PROFILE

10. Are you confident in your application/interview skills?

Yes __________ No_______

GENERAL INFORMATION

11. In which W-2 Provider area do you live?

__ Goodwill

__ Maximus

__ UMOS

__ YWCA Works

__ OIC

12. Are you currently receiving AFDC?

Yes __________ No_______

T-19?

Yes __________ No_______

Food Stamps?

Yes __________ No_______

13. What are your 3 biggest concerns about exiting NHP?

1. ____

2. ____

3. ____

14. How can NHP help you to achieve your goals within the next several months?

____

____

15. Do you wish to continue to work with me once your benefits at NHP end?

____

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Recent Publications on MDRC Projects

Note: For works not published by MDRC, the publisher's name is shown in parentheses. A complete publications list is available from MDRC and on its Web site (www.mdrc.org).

Reforming Welfare and Making Work Pay

ReWORKing Welfare: Technical Assistance for States and Localities

A multifaceted effort to assist states and localities in designing and implementing their welfare reform programs. The project includes a series of "how-to" guides, conferences, briefings, and customized, in-depth technical assistance.

After AFDC: Welfare-to-Work Choices and Challenges for States. 1997. Dan Bloom.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Business Partnerships: How to Involve Employers in Welfare Reform. 1998. Amy Brown, Maria Buck, Erik Skinner.

Learnfare: How to Implement a Mandatory Stay-in-School Program for Teenage Parents on Welfare. 1998. David Long, Johannes Bos.

Promoting Participation: How to Increase Involvement in Welfare-to-Work Activities. 1999. Gayle Hamilton, Susan Scrivener.

Project on Devolution and Urban Change

A multi-year study in four major urban counties — Cuyahoga County, Ohio (which includes the city of Cleveland), Los Angeles, Miami-Dade, and Philadelphia — that examines how welfare reforms are being implemented and affect poor people, their neighborhoods, and the institutions that serve them.

Big Cities and Welfare Reform: Early Implementation and Ethnographic Findings from the Project on Devolution and Urban Change. 1999. Janet Quint, Kathryn Edin, Maria Buck, Barbara Fink, Yolanda Padilla, Olis Simmons-Hewitt, Mary Valmont.

Financial Incentives

New Hope Project

A test of a community-based, work-focused antipoverty program and welfare alternative operating in Milwaukee.

The New Hope Offer: Participants in the New Hope Demonstration Discuss Work, Family, and Self-Sufficiency. 1996. Dudley Benoit.

Creating New Hope: Implementation of a Program to Reduce Poverty and Reform Welfare. 1997. Thomas Brock, Fred Doolittle, Veronica Fellerath, Michael Wiseman.

Who Got New Hope? 1997. Michael Wiseman.

An Early Look at Community Service Jobs in the New Hope Demonstration. 1998. Susan M. Poglinco, Julian Brash, Robert C. Granger.

New Hope for People with Low Incomes: Two-Year Results of a Program to Reduce Poverty and Reform Welfare. 1999. Johannes Bos, Aletha Huston, Robert Granger, Greg Duncan, Thomas Brock, Vonnie McLoyd.

Minnesota Family Investment Program

An evaluation of Minnesota's welfare reform initiative, which aims to encourage work, alleviate poverty, and reduce welfare dependence.

MFIP: An Early Report on Minnesota's Approach to Welfare Reform. 1995. Virginia Knox, Amy Brown, Winston Lin.

Making Welfare Work and Work Pay: Implementation and 18-Month Impacts of the Minnesota Family Investment Program. 1997. Cynthia Miller, Virginia Knox, Patricia Auspos, Jo Anna Hunter-Manns, Alan Orenstein.

Canada's Self-Sufficiency Project

A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project (Social Research and Demonstration Corporation [SRDC]). 1995. Tod Mijanovich, David Long.

The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare, and Their Futures (SRDC). 1995. Wendy Bancroft, Sheila Currie Vernon.

Do Financial Incentives Encourage Welfare Recipients to Work? Initial 18-Month Findings from the Self-Sufficiency Project (SRDC). 1996. David Card, Philip K. Robins.

When Work Pays Better Than Welfare: A Summary of the Self-Sufficiency Project's Implementation, Focus Group, and Initial 18-Month Impact Reports (SRDC). 1996.

How Important Are "Entry Effects" in Financial Incentive Programs for Welfare Recipients? Experimental Evidence from the Self-Sufficiency Project (SRDC). 1997. David Card, Philip K. Robins, Winston Lin.

Do Work Incentives Have Unintended Consequences? Measuring "Entry Effects" in the Self-Sufficiency Project (SRDC). 1998. Gordon Berlin, Wendy Bancroft, David Card, Winston Lin, Philip K. Robins.

When Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project. 1998. Winston Lin, Philip K. Robins, David Card, Kristen Harknett, Susanna Lui-Gurr.

Does SSP Plus Increase Employment? The Effect of Adding Services to the Self-Sufficiency Project's Financial Incentives. 1999. Gail Quets, Philip Robins, Elsie Pan, Charles Michalopoulos, David Card.

When Financial Work Incentives Pay for Themselves: Early Findings from the Self-Sufficiency Project's Applicant Study. 1999. Charles Michalopoulos, Philip Robins, David Card.

Time Limits

Cross-State Study of Time-Limited Welfare

An examination of the implementation of some of the first state-initiated time-limited welfare programs.

Implementing Time-Limited Welfare: Early Experiences in Three States. 1995. Dan Bloom, David Butler.

The View from the Field: As Time Limits Approach, Welfare Recipients and Staff Talk About Their Attitudes and Expectations. 1997. Amy Brown, Dan Bloom, David Butler.

Welfare Time Limits: An Interim Report Card. 1999. Dan Bloom.

Connecticut's Jobs First Program

An evaluation of Connecticut's statewide time-limited welfare program, which includes financial work incentives and requirements to participate in employment-related services aimed at rapid job placement. This study provides some of the earliest information on the effects of time limits in major urban areas.

Jobs First: Early Implementation of Connecticut's Welfare Reform Initiative. 1998. Dan Bloom, Mary Andes, Claudia Nicholson.

Connecticut Post-Time Limit Tracking Study: Three-Month Survey Results. 1998. Jo Anna Hunter-Manns, Dan Bloom, Richard Hendra, Johanna Walter.

Connecticut Post-Time Limit Tracking Study: Six-Month Survey Results. 1999. Jo Anna Hunter-Manns, Dan Bloom.

Florida's Family Transition Program

An evaluation of Florida's initial time-limited welfare program, which includes services, requirements, and financial work incentives intended to reduce long-term welfare receipt and help welfare recipients find and keep jobs.

The Family Transition Program: An Early Implementation Report on Florida's Time-Limited Welfare Initiative. 1995. Dan Bloom.

The Family Transition Program: Implementation and Early Impacts of Florida's Initial Time-Limited Welfare Program. 1997. Dan Bloom, James J. Kemple, Robin Rogers-Dillon.

The Family Transition Program: Implementation and Interim Impacts of Florida's Initial Time-Limited Welfare Program. 1998. Dan Bloom, Mary Farrell, James J. Kemple, Nandita Verma.

The Family Transition Program: Implementation and Three-Year Impacts of Florida's Initial Time-Limited Welfare Program. 1999. Dan Bloom, Mary Farrell, James Kemple, Nandita Verma.

Vermont's Welfare Restructuring Project

An evaluation of Vermont's statewide welfare reform program, which includes a work requirement after a certain period of welfare receipt, and financial work incentives.

WRP: Implementation and Early Impacts of Vermont's Welfare Restructuring Project. 1998. Dan Bloom, Charles Michalopoulos, Johanna Walter, Patricia Auspos.

Mandatory Welfare Employment Programs

National Evaluation of Welfare-to-Work Strategies

A large-scale study (formerly known as the JOBS Evaluation) of different strategies for moving people from welfare to employment.

Adult Education for People on AFDC: A Synthesis of Research (U.S. Department of Education [ED]/U.S. Department of Health and Human Services [HHS]). 1995. Edward Pauly.

Early Findings on Program Impacts in Three Sites (HHS/ED). 1995. Stephen Freedman, Daniel Friedlander.

Five Years After: The Long-Term Effects of Welfare-to-Work Programs (Russell Sage Foundation). 1995. Daniel Friedlander, Gary Burtless.

Monthly Participation Rates in Three Sites and Factors Affecting Participation Levels in Welfare-to-Work Programs (HHS/ED). 1995. Gayle Hamilton.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

Evaluating Two Welfare-to-Work Program Approaches: Two-Year Findings on the Labor Force Attachment and Human Capital Development Programs in Three Sites (HHS/ED). 1997. Gayle Hamilton, Thomas Brock, Mary Farrell, Daniel Friedlander, Kristen Harknett.

Work First: How to Implement an Employment-Focused Approach to Welfare Reform. 1997. Amy Brown.

Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program (HHS/ED). 1998. Susan Scrivener, Gayle Hamilton, Mary Farrell, Stephen Freedman, Daniel Friedlander, Marisa Mitchell, Jodi Nudelman, Christine Schwartz.

Los Angeles's Jobs-First GAIN Program

An evaluation of Los Angeles's refocused GAIN (welfare-to-work) program, which emphasizes rapid employment. This is the first in-depth study of a full-scale "work first" program in one of the nation's largest urban areas.

Changing to a Work First Strategy: Lessons from Los Angeles County's GAIN Program for Welfare Recipients. 1997. Evan Weissman.

The Los Angeles Jobs-First GAIN Evaluation: Preliminary Findings on Participation Patterns and First-Year Impacts. 1998. Stephen Freedman, Marisa Mitchell, David Navarro.

The Los Angeles Jobs-First GAIN Evaluation: First-Year Findings on Participation Patterns and Impacts. 1999. Stephen Freedman, Marisa Mitchell, David Navarro.

Teen Parents on Welfare

Teenage Parent Programs: A Synthesis of the Long-Term Effects of the New Chance Demonstration, Ohio's Learning, Earning, and Parenting (LEAP) Program, and the Teenage Parent Demonstration (TPD). 1998. Robert C. Granger, Rachel Cytron.

Ohio's LEAP Program

An evaluation of Ohio's Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.

LEAP: Three-Year Impacts of Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1996. David Long, Judith M. Gueron, Robert G. Wood, Rebecca Fisher, Veronica Fellerath.

LEAP: Final Report on Ohio's Welfare Initiative to Improve School Attendance Among Teenage Parents. 1997. Johannes Bos, Veronica Fellerath.

New Chance Demonstration

A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.

New Chance: Final Report on a Comprehensive Program for Young Mothers in Poverty and Their Children. 1997. Janet Quint, Johannes Bos, Denise Polit.

Parenting Behavior in a Sample of Young Mothers in Poverty: Results of the New Chance Observational Study. 1998. Martha Zaslow, Carolyn Eldred, editors.

Focusing on Fathers

Parents' Fair Share Demonstration

A demonstration for unemployed noncustodial parents (usually fathers) of children on welfare. PFS aims to improve the men's employment and earnings, reduce child poverty by increasing child support payments, and assist the fathers in playing a broader constructive role in their children's lives.

Low-Income Parents and the Parents' Fair Share Demonstration. 1996. Earl Johnson, Fred Doolittle.

Working with Low-Income Cases: Lessons for the Child Support Enforcement System from Parents' Fair Share. 1998. Fred Doolittle, Suzanne Lynn.

Building Opportunities, Enforcing Obligations: Implementation and Interim Impacts of Parents' Fair Share. 1998. Fred Doolittle, Virginia Knox, Cynthia Miller, Sharon Rowser.

Fathers' Fair Share: Helping Poor Men Manage Child Support and Fatherhood (Russell Sage Foundation). 1999. Earl Johnson, Ann Levine, Fred Doolittle.

Other

Can They All Work? A Study of the Employment Potential of Welfare Recipients in a Welfare-to-Work Program. 1995. James A. Riccio, Stephen Freedman.

Florida's Project Independence: Benefits, Costs, and Two-Year Impacts of Florida's JOBS Program. 1995. James J. Kemple, Daniel Friedlander, Veronica Fellerath.

From Welfare to Work Among Lone Parents in Britain: Lessons for America. 1996. James A. Riccio.

Employment and Community Initiatives

Connections to Work Project

A study of local efforts to increase competition in the choice of providers of employment services for welfare recipients and other low-income populations. The project also provides assistance to cutting-edge local initiatives aimed at helping such people access and secure jobs.

- *Tulsa's IndEx Program: A Business-Led Initiative for Welfare Reform and Economic Development.* 1997. Maria Buck.
- *Washington Works: Sustaining a Vision of Welfare Reform Based on Personal Change, Work Preparation, and Employer Involvement.* 1998. Susan Gooden.
- *Cost Analysis Step by Step: A How-to Guide for Planners and Providers of Welfare-to-Work and Other Employment and Training Programs.* 1998. David Greenberg, Ute Appenzeller.

Jobs-Plus Initiative

A multi-site effort to greatly increase employment among public housing residents.

- *A Research Framework for Evaluating Jobs-Plus, a Saturation and Place-Based Employment Initiative for Public Housing Residents.* 1998. James A. Riccio.
- *Mobilizing Public Housing Communities for Work: Origins and Early Accomplishments of the Jobs-Plus Demonstration.* 1999. James A. Riccio.

Section 3 Public Housing Study

An examination of the effectiveness of Section 3 of the 1968 Housing and Urban Development Act in affording employment opportunities for public housing residents.

- *Lessons from the Field on the Implementation of Section 3* (U.S. Department of Housing and Urban Development). 1996. Maxine Bailey, Suzanne Lynn.

Canada's Earnings Supplement Project

A test of an innovative financial incentive intended to expedite the reemployment of displaced workers and encourage full-year work by seasonal or part-year workers, thereby also reducing receipt of Unemployment Insurance.

- *Implementing the Earnings Supplement Project: A Test of a Re-employment Incentive* (Social Research and Demonstration Corporation). 1997. Howard Bloom, Barbara Fink, Susanna Lui-Gurr, Wendy Bancroft, Doug Tattrie.
- *Testing a Re-employment Incentive for Displaced Workers: The Earnings Supplement Project.* 1999. Howard Bloom, Saul Schwartz, Susanna Lui-Gurr, Suk-Won Lee.

Education Reform

School-to-Work Project

A study of innovative programs that help students make the transition from school to work or careers.

- *Home-Grown Lessons: Innovative Program Linking School and Work* (Jossey-Bass Publishers). 1995. Edward Pauly, Hilary Kopp, Joshua Haimson.
- *Home-Grown Progress: The Evolution of Innovative School-to-Work Programs.* 1997. Rachel A. Pedraza, Edward Pauly, Hilary Kopp.

Career Academies

The largest and most comprehensive evaluation of a school-to-work initiative, this 10-site study examines a promising approach to high school restructuring and the school-to-work transition.

- *Career Academies: Early Implementation Lessons from a 10-Site Evaluation.* 1996. James J. Kemple, JoAnn Leah Rock.
- *Career Academies: Communities of Support for Students and Teachers — Emerging Findings from a 10-Site Evaluation.* 1997. James J. Kemple.
- *Career Academies: Building Career Awareness and Work-Based Learning Activities Through Employer Partnerships.* 1999. James Kemple, Susan Poglinco, Jason Snipes.

Project Transition

A demonstration program that tested a combination of school-based strategies to facilitate students' transition from middle school to high school.

- *Project Transition: Testing an Intervention to Help High School Freshmen Succeed.* 1999. Janet Quint, Cynthia Miller, Jennifer Pastor, Rachel Cytron.

MDRC Working Papers on Research Methodology

A new series of papers that explore alternative methods of examining the implementation and impacts of programs and policies.

- *Building a Convincing Test of a Public Housing Employment Program Using Non-Experimental Methods: Planning for the Jobs-Plus Demonstration.* 1999. Howard Bloom.
- *Estimating Program Impacts on Student Achievement Using "Short" Interrupted Time Series.* 1999. Howard Bloom.

About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit, nonpartisan social policy research organization. We are dedicated to learning what works to improve the well-being of low-income people. Through our research and the active communication of our findings, we seek to enhance the effectiveness of social policies and programs. MDRC was founded in 1974 and is located in New York City and San Francisco.

MDRC's current projects focus on welfare and economic security, education, and employment and community initiatives. Complementing our evaluations of a wide range of welfare reforms are new studies of supports for the working poor and emerging analyses of how programs affect children's development and their families' well-being. In the field of education, we are testing reforms aimed at improving the performance of public schools, especially in urban areas. Finally, our community projects are using innovative approaches to increase employment in low-income neighborhoods.

Our projects are a mix of demonstrations – field tests of promising program models – and evaluations of government and community initiatives, and we employ a wide range of methods such as large-scale studies to determine a program's effects, surveys, case studies, and ethnographies of individuals and families. We share the findings and lessons from our work – including best practices for program operators – with a broad audience within the policy and practitioner community, as well as the general public and the media.

Over the past quarter century, MDRC has worked in almost every state, all of the nation's largest cities, and Canada. We conduct our projects in partnership with state and local governments, the federal government, public school systems, community organizations, and numerous private philanthropies.

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